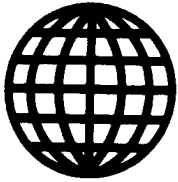


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CZECHOSLOVAKIA

New CPCZ Leading Secretary Appointed in Brno City

24000078 Brno ROVNOST in Czech 24 Feb 87 p 2

[Summary] Brno (ds) s - An extraordinary meeting of the CPCZ in Brno took place on 23 Feb 87. Leading Secretary of the Brno City Karel URBANEK was relieved of his functions and Comrade Pavel PILNY, a political official of the Brno CC CP was unanimously elected as the new leading secretary.

Comrade Pavel PILNY was born on 5 July 1944 in Chrudim as a son of a laborer. He worked as electrician in the enterprises of the food industry, gained experience in the youth organization and National Front organizations. In 1963 he was accepted into the Communist party.

He started his party work about 20 years ago; after completing the party college of the CPCZ political central committee in 1975 he worked at the CC CPCZ where he applied his theoretical and practical experience. Since 1985 he held the position of instructor of CC CPCZ for the South Moravian Kraj. In 1983 he was presented the state award for Outstanding Work.

Fojtik Outlines Background of Restructuring

24000043 Prague NOVA MYSL in Czech
No 11, 1987 pp 4-17

[Article by Jan Fojtik, CPCZ Presidium candidate and Secretary of the Central Committee: "The Path of the Great October Revolution to the Further Development of Socialism and a Safe and Peaceful Future"]

[Excerpts] Today, four decades after the February Revolution, some people look at the time (and this is obviously a reflection of views expressed by the West) when it was decided with finality what postwar Czechoslovakia was to be like and where its place would be in further developments, in that process of change which created a new political map of the world, as if there occurred at that time some kind of accident, a "tragic" one according to them, as a result of which our country, which has for a long time belonged to the Western sphere of spiritual culture, somehow "out of the clear blue sky" through some oversight which can be attributed, for example, to "President Dr E. Benes's Munich complex" or to the postwar "liberation euphoria" and "illusions about the role of the USSR," found itself in a new, socialist affiliation. These people put forward this event, of course, as a "forcible disruption" of the historical ties forming the basis of the life of our peoples up until that time.

And if, according to this concept— which has incidentally, become a part of the repertory of argumentation of the anti-Communist centers and of all attacks on the

Czechoslovak Communist Party as the "puppet of Moscow"—it were true that the February Revolution was a gross disparagement of our peoples' sovereignty, their "rape", by which they were bound to the "Soviet empire," then it follows that the so-called renewal process of 1968, in which the right-wing opportunists ruined the possibility of an actual rebirth and strengthening of socialism as proclaimed in the resolutions of the January session of the CPCZ Central Committee, was supposed to open the way for carrying out a sort of "anti-February," a desirable "rehabilitation" of the "tragic mistake" which supposedly took place in this country in the years 1945 to 1948.

None of this is changed by the various protestations of the right-wing opportunists by which they camouflaged either their inability and puzzlement or their actual intentions which were unmasked by further developments, including the public admissions which they made later as emigres (at that time, of course, at least some of them, were also forced to justify their political and ideological metamorphoses in the course of which passionate fighters against communism were made out of those who once were notorious "Stalinist dogmatics.")

It is, of course, no wonder that our class enemy tries in all ways possible to prove his right to existence from historical continuity which he interprets in direct conflict with the actual historical developments which he belittles, which he portrays as a kind of betrayal of the interests of our peoples. This, even though in the final perspective it is desperate and futile work, is his only hope, his only possibility to gain a position from which he could again attack socialism as something that had been "badly conceived from the beginning", that was "forced" on us, or that "sneaked" into our homes and must be shown out of it.

It should not puzzle us that for this he also makes use of the restructuring in the Soviet Union and in the other countries of our community and attempts to find arguments in support of his own aims. It is indeed in the fact that we emphasize the revolutionary character of the restructuring, and in doing so do not avoid any criticism of our shortcomings, that he sees his chance to cast doubts on the principles which underlie our policies (and, it must be said, that this is the extent to which he is interested in shortcomings in our practices). Therefore he not only applauds every excess of criticism and every manifestation of nihilism in relation to socialism, past or present, but readily integrates them in his anti-Communist propaganda. And he does not just stop at this. Everything bears witness to the fact that he is betting on the card of ideological confusion and uncertainty which is connected with the restructuring and with the necessity of re-evaluating a number of questions. He treats the restructuring itself mostly as a delayed recognition of the "failure of communism." He reduces its meaning to liberalization which should, at least to a certain degree, bring the socialist countries closer to the model of social

life under capitalism. The great majority of the "restructuring analysts" which suddenly showed up in the West like mushrooms after a rain, is, of course, skeptical in this respect and advises keeping a sharp eye on the USSR in particular until such time that such an "approximation" occurs. According to them, the "proof of restructuring" lies in demonstrating that the process of taking socialism apart has begun.

And this attitude of our class enemies to restructuring also determines their interests in the history of the rise and formation of socialism.

A sharpened attention to history, which involves a scrutiny of the viability and validity of the principles themselves of the political practices of the revolutionary parties of the countries of the socialist community as well as confronting the theoretical and ideological basis of their policies with actual developments, a confrontation which must always yield some deviations from declared programs, has for a long time been characteristic of the operations of the anti-Communist centers. How could it be any different now when such scrutiny is being made by the communist parties themselves, with the CPSU leading the way, in the interest of doing away with the distortions harming socialism?! And consider the criticism whose flood-gates have been opened by us. Does it not contain much of what we have already heard from "the other side of the barricades"? How can we now distinguish between the truth and hostile slander? Where is the demarcation line defined by a Marxist-Leninist class approach to evaluating social phenomena?

That which at first glance can appear to be our weakness, dangerously thin ice on which we should move only with the greatest care, is in fact our strong point which we must of course know how to fully utilize. In "The Childhood Disease of 'Left-wing Deviation' in Communism", a work which is especially timely today, V.I. Lenin speaks about the relationship of the political party to its own mistakes as one of the most important and most accurate criteria according to which one can judge just how seriously the party understands its mission and how it in practice meets its obligations to its own class and to the working masses. "To admit openly to mistakes, to discover their reasons, to analyze the situation from which the mistake came, to weigh carefully the ways to correct the mistakes, these are the features of a party which takes its mission seriously and it is a sign that the party is meeting its obligations, which are the education and schooling of the class and then of the masses as well."

This statement by Lenin indisputably belongs to his most well-known and has been, is, and obviously will be quoted often. Anyone who wants to define the concept of "Lenin's style of work" can hardly do without it. But is not what he demands in it in conflict with the principled attitude without which the political and ideological struggle against our class enemy is unthinkable as that enemy exploits every mistake, however small, every

wavering in our ranks? Who of our opponents ever admitted that he committed any serious mistakes, who ever spoke about them openly and without some kind of effort to minimize and justify them, or finally who accused capitalism of the ailments which obviously and heavily afflict a large part of capitalist society and profoundly distort its life? Is it that we do not understand how important prestige is in politics? Are there not enough convincing examples that whoever admits a mistake signs his own fate? Those who are weak and make mistakes cannot be in the forefront of the movement. And what is true of individuals is twice as true of political parties. In the concept of Darwinian selection according to which only the strongest and fittest survive is also found the essence of bourgeois liberalism which, in the final analysis, simply legitimizes and camouflages (with clichés about freedom, democracy, and humanism) the pitiless life and death fight among competing interest groups, a struggle in which the strongest (the richest and most powerful) is finally always right, until, of course, it itself is defeated.

Does not the above statement by Lenin about his attitude toward his own mistakes and the need for openly admitting them—a statement which corresponds so much with what we today call "glasnost"—belong among those policies of the revolutionary parties which bear a utopian imprint, as our enemies contemptuously call them, an imprint which predestines them to a continuous conflict with everyday practices, to a strife between declared "dogmas" and pragmatic policies carried out by businesslike men freed of any "exalted theorizing," by "realists" who have "their feet firmly on the ground" and are not swayed by "ideological postulates", but abide by the "hard laws of life?" Bolshevism was born and took shape in opposition to social democratism and petit bourgeois opportunism which saturated the workers' movement at the end of the last century and which finally tore the movement apart. The opportunists' disparaging attitude toward revolutionary theory—deliberately described by them as a collection of "dogmas" and "utopias"—stemmed not only from a reluctance to accept this theory, but mainly from an attempt to cover up a betrayal which V.I. Lenin and those who remained true to Marxism vehemently and inexorably unmasked and pilloried, a betrayal which the right-wing opportunists committed against the parties of the Second International when they turned their backs on the interests of the working class and the laboring masses, and converted their parties into appendages of the bourgeois policies. It was logical that they had to reject then the idea of revolution itself and cast aside the preparation of the masses for it, limiting themselves more and more to "small-scale engineering" in the parliaments and the various institutions of bourgeois society with a reform or educational mission. Their role was finally reduced to where the bourgeoisie always used them when it was necessary to paralyze the revolutionary spirit of the masses, pacify them, and keep them in the bondage of capitalism, when it was necessary to take advantage of the trust preserved in a certain part of the working class

under the influence of their reform slogans so that they could support capitalism and to save it.

Leninism is the exact opposite of opportunistic social democracy, mainly and just because of its proper and honorable relationship to the working class and the masses of people. It is simply foreign to any opportunistic, pragmatic trafficking with the trust of the masses tapped only when it is necessary to misuse the masses in the service of capitalism; it is simply foreign to sacrificing the basic interests of the workers for temporary advantages (which usually turn out to be mistaken ones). Leninism is characterized by its principled attitude in regard to the unity of word and deed, a firm and organic connection between revolutionary theory and revolutionary practice. It is not content with just improving the situation of the exploited masses; its program is their total liberation from any form of exploitation and oppression, their elevation to the role of the basic subject of policies, of creators of their own history, prudent managers of society's property and conscious and responsible administrators of their own state.

Leninism also does not have anything in common with the cynical bourgeois liberalism, concealing its social darwinism behind slogans of "a higher moral mission," or those of "the providers of work," colonizers, militarists, everyone who sheds crocodile tears over people's poverty, suffering, and acts of violence which are characteristic for capitalism, especially in its higher stage, imperialism, with the cynicism of those who grow fat from this poverty, suffering, and acts of violence on a massive scale, those who make lofty speeches about the values of human life, human rights, and freedom and then ruthlessly suppress them. If we, the followers of Leninism, expose this hypocrisy which screams to the heavens, this schizophrenia of modern capitalism, we do not do this from any naive theoretical position which is utopian in nature and which in the end contradicts our own political practice, inasmuch as it shows how far we still have to go to get to what we call our principled policy.

Yes, if there was such a chasm between what we say and what we do as would basically demonstrate the unrealistic nature of the goals which we laid out in the revolution and if the restructuring connected with the open criticism of our shortcomings, yesterday's and today's, was to reveal this chasm, as our enemies obviously hope for, the opening of the door for this criticism would actually be a hopeless gesture, a risk which would result in a loss, a step which not only would not lead to gaining the people's trust and would not motivate them to overcome such conflicts, but which would necessarily lead to the isolation of the party from society and create a serious crisis. The fact of the matter is, however, that nothing like this is going on or could go on. Socialism has set deep roots in our country and its building has borne fruit which has become taken for granted in the life of the working man.

Firstly, the people's power has been anchored firmly in the entire structure of the organizations and agencies of the political system of socialism which in our conditions is represented by the National Front, which unites the toiling masses in class bonds with the working class, the leading social force.

The agenda calls not for the tearing down of this structure, but for its improvement, greater flexibility, relief from bureaucratic distortions, a further substantial intensification of socialist democracy, the gradual creation and strengthening of socialist self-administration, especially the development of the national committee's activity and activation of the social organizations, the fullest application of the principle of democratic centralism in the management of society. Also connected with this is the improvement in the constitutional arrangement on the basis of federation which makes it possible to resolve, in the Leninist spirit, problems connected with nationalities, which were a bone of contention in the pre-Munich republic.

We are thus carrying out the restructuring in our country's political life on the basis of the political system created by the revolution. The determinate constitutive feature of this system is the leading role of the Communist Party which, as has already been demonstrated, is the results of developments which our country has undergone since the creation of the CSR. Particularly decisive here were the experiences which our peoples underwent in the struggle with fascism for the restoration of their freedom and gaining the right to decide on their own fate with their sovereign will. At that time, and later as well, the Czechoslovak Communist Party demonstrated that the people's affairs, their interests, and well-being, are its supreme concern, that it sees and finds the reason for its activities in the unconditional service of the people. It is just this mission which not only makes it possible for it to have an open policy as regards the people, but directly requires it; this policy is the most important and most reliable guarantee of the stability of its position as the leading political force of our society.

Secondly, the economic base of our socialist society—a system of social ownership in the form of state (all the people) and cooperative ownership—is also no less firm.

Today we are not in a situation where this economic system can be publicly challenged. Any apparent attempt at it would encounter unequivocal opposition. The workers in overwhelming majority understand very well that the system is the reliable basis of their social security and relatively high standard of living and that it provides the opportunity for rational management of our country's resources and a just distribution of the fruits of our labor. But they also wish that the opportunities which this system offer, advantages such as, for example, those provided by planning and coordinating production operations in accordance with society's needs, should be

optimally utilized. The losses resulting from the extensive type of production and the management and planning system which corresponds to it seriously harm our economy and have a negative effect on the political and moral condition of society. In the present stage of our society's development, there is perhaps no more pressing and urgent task than the thorough restructuring of the existing economic mechanism, a mechanism based primarily on the administrative forms of regulation of relationships between the center, the executive management links, and the enterprise arena. This mechanism has completely outlived its usefulness. It is necessary to create a new mechanism based on the economic form of management and full *khosrazhchet* and thus to overcome the barriers standing in the way of a growth in the productivity of labor and a substantially higher level of the application of R&D progress to production and to do away with any kind of dictatorship of the manufacturers over the consumers. The principles of such a restructuring of the economic mechanism, whose goal is the creation of a new type of management and planning system in accordance with the strategy of accelerating the social and economic development of society which was approved by the 17th CPCZ Congress, have been worked out and are gradually being implemented into concrete measures whose basis are the proposals for laws on the state enterprise and the various forms of cooperatives. The aggregate implementation of such far-reaching economic reforms will be, as comrade Gustav Husak said at the 5th (March) CPCZ Central Committee Plenum, the deepest and most serious change to follow those which were made after February 1948, when the foundation for socialism was laid.

It is possible to say with certainty that the implementation of economic reforms—radically different from the attempts of the previous period—will give our socialist economy a new dynamism. It will also open the way for its essential modernization and structural transformation in keeping with the demands of the present revolutionary era in science and technology. The contribution of our country to the development of the economic and scientific potential of the countries of the socialist community will thus be substantially increased. Understandably, however, this will also depend on how thoroughly the other fraternal countries proceed in intensification and how we will succeed in fulfilling the joint intentions expressed in the long-range plans for economic and R&D cooperation along the lines of multilateral and bilateral contacts, and how the integration of our economies proceeds. We must therefore on our part do the maximum. The prosperity of each of our countries depends on the development of the entire society.

Thirdly, the staunchness of our socialist establishment indisputably depends on our social policies. In all the difficulties which we had to overcome, the perhaps just because of this, our social policies have provided especially cogent arguments for socialism which entirely overturn the propositions about conflicts between our goals and our reality. We can justifiably say that social

policies occupy the priority place in the activities of our party and the state. Czechoslovakia is one of the countries in which the workers can take pleasure in a developed system of social security. An organic part of it is care for a man's health, his education, and cultural development. The resources which are put into this area are undoubtedly considerable and exceptional. This is, of course, not just a matter of simply summarizing the expenditures and comparing them in a statistical evaluation with those of other countries. It is a matter of the social status of the working man in our socialist establishment being free from existential fear and, at the same time, of it being based on authentic democracy unknown in the hierarchical world dominated by capitalism (often with the aid of thousands of invisible interrelationships). This achievement, too, the majority of the people take as a given, a fact of nature.

This has, of course, its negative aspects as well, as is known and as is now beginning to be widely discussed (not without fear of the future). The indisputable advantages of our social policies are depreciated and weakened to a considerable degree by the relatively low level of rationality of management in the production and non-production areas, the dictatorship of the manufacturers over the consumers already mentioned, shortages on the market and in services, and especially our chronic inability to bring to life the principle of remuneration in accordance with the results (quantity and quality) of work, by our pervasive attitude of equalitarianism. In this situation there inevitably show up attempts inspired by "the common sense," "of practical men," and "grab what they can," and attempts to develop the notorious "grey economy" and "grey distribution." This is one of the main sources of discredit for our economic policies with serious consequences for the relationship of people to their work and to socialism in general.

Anti-Communist propaganda understandably concentrates on these negative phenomena in our society with special relish and liking. It is a certain paradox since it is actually a matter peculiar to capitalism; it is the notorious "birthmark" about which Karl Marx spoke when he warned about the need for a long transitional period from capitalism to socialism noting that socialism will not be built on some kind of previously prepared, tidied up construction site by people who already are of the new era. Speaking of this, Marx was far from able to foresee under what conditions building socialism would take place and could not suspect it was that history was preparing for those who in this century set out on the path of revolutionary transformation of society. He therefore did not occupy himself with any plan that would propose to dictate to the future and instead derived the outlines of a new, socialist society from the objectively operating historical laws of the society of his time and from its developmental tendencies, especially from the contradictions of capitalism, which he studied comprehensively. In just this manner he put socialism on a scientific basis and transformed utopia into a revolutionary tool for the restructuring of society. It was by

this, however, that he breathed power into the revolutionary theory unmatched by any previous doctrine, a power which makes it possible to carry out the fight for liberation of the workers, for social progress, for social justice and social equality, and for the classless society of communism with its truly humanistic ideals that are charged with the firmest and deepest conviction of the historical inevitability of the fall of exploitative and oppressive social orders and of the final victory of socialism and communism.

Some people demand a restructuring in the ideological field and suppose in doing so that it would be a matter of some kind of reorganization of work in this "sector." As if the substance of restructuring would consist of external changes. These must always be a consequence of the concept of work itself and in this particular case of a genuine affirmation of the role of ideological activities in all their essential forms (starting with theory up through the everyday informal agitation in the true sense of the word, where a continuous dialogue is held with the people). The substance of the changes that are called for must depend on achieving an organic connection of the ideological work with the activities of the party, the social organizations, and all state and economic management agencies in whatever area they operate, especially in the social and economic spheres. Ideological work must lean on a well thought out economic policy and a strong social policy. This is the key to its effectiveness, ability to convince, aggressive nature, and specificity; in short, the key to its being well integrated with everyday life, an integration on which we must particularly depend today.

In this connection it is necessary to mention such a serious question as is the question of the cult of personality and the system of work and methods which is characteristic for this cult.

When we place emphasis on revolutionary continuity, it must likewise be clear that nothing connected with the cult of personality belongs to it, as it has nothing in common with our revolutionary doctrine, with Leninism. The harm that the cult of personality does is not just that it created an atmosphere in which gross violations of socialist legality took place, such as arbitrary repression and abuse of the people's power, but also in that (and this is still a current problem) while it declared an active role for the masses, for workers and citizens, it in fact placed them in the passive role of a tool of the policies formulated by a more or less narrow circle of people with an "infallible" individual at its head who could not be criticized and practically could not be controlled. The attributes of such an extraordinary personality were mechanically passed on. Such making a fetish of offices ("whomever God gave the office, He also gave him wisdom") necessarily distorted the leading role of the party and the role of the top officials as well, whose authority must have a natural basis in their experience, capability, and devotion to the affairs of the people, socialism, and the democratic substance of socialism.

Socialism is, and can be if it is to develop successfully, simply an affair of the workers and their creativity. To imagine that it can be built and develop administratively is simply absurd and in conflict with the spirit and principles of Leninism.

The socialist state which, with the installation in power of the working class and the people, becomes the main instrument for building a new society is a state of a new type. As V.I. Lenin emphasized, the basic principle for the functioning of this new state type, for the mechanism serving the total liberation of the working man and his elevation to the role of the creator of the new order, is the principle of democratic centralism. Even this type of state, and particularly it, must have the necessary authority and must have control of the instruments for protecting this power from its enemies and must know how to defend against all those who threaten it. It must create, strengthen, and develop people's self-government in accordance with the existing opportunities and the historically determined conditions and level of development (especially the political culture of society). The intensification of democracy in its socialist conception forms, in principle the main tendency for the development of the socialist idea of state; it is the basis for the gradual transition of the political institutions of the state to a functional administrative and management mechanism. This long-term process, which, of course, cannot be abstracted from life's conflicts and understood as a sort of a linear growth in democracy, is decisive for the activation of the human factor (not just an "intensification" of ideological work, as some people suppose, those who are still living in the ideas of the past cult of personality and idealistic faith in the power of words, declarations, and magic formulas and who confuse propaganda with speech making, preaching, and cultural moralizing).

Today humanity gain stands at a dangerous and fateful crossroads. The weapons which have been amassed could in a single moment destroy everything that has been created so far by man's labor and his skill. It is no accident that it is the representatives of the first country of socialism, the USSR, who are coming up with the initiatives for new political thinking that takes into account the realities of today's world. To suppose that wars can still be an extension of politics and that relations between the peoples of states with differing social order can be settled from "the positions of strength" and with thinking in the categories of the "cold war" would necessarily lead to humanity's suicide and the extinction of everyone. It is therefore not possible to stay within the boundaries of thinking which takes into consideration only class phenomena, but rather we must start from the interests which are common to all of humanity and build up a comprehensive system of international security. The peace initiatives which the countries allied by the Warsaw Pact endorse, initiatives which are directed at progressive nuclear and conventional disarmament and a secure peace in the world, reflect most clearly the loyalty of the socialist societies to

the immortal heritage of the Great October Revolution; they reveal the high level of responsibility which our fraternal parties feel for humanity, for the people of their own countries, and for the future. They exemplify the full harmony of the domestic and foreign policy which our community is pursuing in the spirit of international unanimity; indeed, the common banner under which we are marching toward tomorrow is the red flag of the Great October Socialist Revolution. The principle from which we start is the principle which was formulated by Karl Marx in the first manifesto of the Internationale; it is the principle of liberated labor and of peace. It informs our current efforts as well.

6285/9738

Polluted Rivers Cause Concern

24000053 Prague RUDE PRAVO in Czech
11 Jan 88 p 4

[Interview with Eng Vaclav Vucka, director of the Czech Water Inspection in Prague, by Zdena Vejvodova: "Our Rivers Are Calling for Help"; first paragraph is RUDE PRAVO introduction]

[Text] More and more housing developments are being built; the quality of housing and public facilities has become a frequent topic of discussion, but our attention seldom turns to ecological problems stemming from housing construction. Why is the water in our rivers getting filthier and filthier? Are we expecting far too often that Mother Nature will take care of our polluted streams? When and how shall we treat the sewage? This was the subject of our interview with the director of the Czech Water Inspection in Prague, Eng Vaclav Vucka, ScC.

[Question] Do we have a sufficient number of sewage treatment plants?

[Answer] Although the capacity of our sewage treatment plants has recently been considerably expanded and despite some major reconstructions and modernizations, these facilities cannot treat all the waste. Housing developments are sprouting at a very fast rate. Even some old cities, for instance, Pardubice, Hradec Kralove, and Usti nad Labem, still lack a sewage treatment plant, while in other cities, above all, in Plzen, Olomouc, Frydek-Mistek, Ceske Budejovice and elsewhere, the capacities of their existing facilities are inadequate.

[Question] Therefore, large amounts of sewage pass from public sewers right into our rivers.

[Answer] I am sorry to say that it is so.

[Question] For that reason we are no longer tempted to take a dip in many rivers which long ago have lost their old attributes of "silver-crested, translucent streams."

Their self-purifying capacity is not limitless. Who is responsible for the fact that new housing settlements are not connected with sewage treatment plants?

[Answer] I think that we should look for the reason right at the beginning of their construction. Our planning agencies should not decide to build housing in communities with inadequate sewage treatment plants and with no plans for new facilities. Naturally, those agencies must weigh ecological problems against public demands for housing, which get priority. One cannot be surprised if the provincial national committee is instructed to build, let us say, 10,000 housing units over a period of 5 years, that it will not refuse to build a development if contractors guarantee deliveries and if the citizens clamor for apartments, even if it is quite obvious that the capacity of the sewage treatment plant is insufficient. Here the identity of the guilty parties begins to fade....

[Question] But how dare the provincial national committees violate water law No 138/1973 of the Collection of Laws?

[Answer] They apply to the government of the republic for a permit for temporary release of the sewage, in contradiction of the regulations of the law on water. This situation could be improved if the linkage between the sewage treatment plants and housing construction were an a priori condition already when planning agencies make their decision.

[Question] With so many exceptions it seems that the fines for violations of the law have no effect, or do they?

[Answer] Why not? We propose fines to district national committees and will continue to do so whenever we confirm, for example, illegal release of sewage. In fact, the organization managing the sewer system is the responsible party.

[Question] When will at least the most flagrant cases be improved? We know that, for instance, a sewage treatment plant is now under construction in Pardubice.

[Answer] The construction of new sewage treatment plants should help considerably. It is estimated that the ecological program which includes, in addition to such facilities, also the building of plants for air protection, will cost many tens of thousands Kcs before the year 2000.

The survey for a new sewage treatment plant for Prague in the vicinity of the town of Melnik is nearly completed; despite its recent reconstruction the sewage treatment plant in Prague cannot be further expanded.

Huge sewage treatment plants are currently under construction not only in Pardubice, but also in Havlickuv Brod and Cesky Krumlov. New plants will be built or the existing sewage treatment plants remodeled in Hradec Kralove, Plzen, Ceske Budejovice, Ostrava, Olomouc and other major cities.

Gradually, as these sewage treatment plants start operation, our rivers will become cleaner. I should like to emphasize that all the above-mentioned sewage treatment plants will treat waste from the whole urban area, that is, including industrial waste. Of course, independent industrial purification plants will also be built, for example, in Kaznejov.

[Question] It is axiomatic that the state plan prefers large cities, but what about small communities? Few of them have built sewage treatment plans with their sewer systems.

[Answer] In small towns and communities with less than 5,000 inhabitants this problem must be resolved by the construction of sewage treatment plants in the framework of Action Z. Depending on its capacity, such a plant may cost from several hundred thousand Kcs up to several million Kcs. The State Fund for Water Economy will subsidize such constructions. Provincial and district national committees have a list of approved models of small sewage treatment plants which was published by the Ministry of Forest and Water Economy.

[Question] But who can expertly manage water systems and sewage treatment facilities?

[Answer] If the local national committee builds a sewer system and a sewage treatment plant, and if both are satisfactory, the provincial national committee will see to it that they are managed by the Water Mains and Sewer System enterprise. However, experts should be involved already when the sewer system is being built and at least supervise its construction, because errors in construction cannot be corrected once the system is in operation. These problems have been frequently discussed in publications of our national committees.

[Question] In addition to the construction of sewage treatment plants, what would you recommend to speed up purification of our rivers?

[Answer] Water purity also depends on rational water economy, good maintenance and operation of water mains, and proper care for household plumbing. The less water is needlessly released into the sewer, the less waste there will be, and the better and easier it can be treated. However, there are some other causes of water pollution. Most accidents in our production facilities and in agriculture are caused by improper storage and careless use of materials containing oil, agricultural waste, fertilizers, etc. Water purity will improve if more caution is observed in all those areas.

[Interviewer] Thank you for the interview.

9004/08309

Daily Attacks Samizdat Publication on Ecology
24000059 Bratislava PRAVDA in Slovak 3 Feb 88 p 3

[Article by Dana Piskorova: "Nothing New Under the Sun"]

[Text] Recently a friend quite unexpectedly asked me if I had read a green tinted brochure published by the Bratislava Out Loud conservationists, what I thought of its content, and what I thought were the objectives of the compilers and publisher. When she told me briefly what was in this pamphlet I decided to acquaint myself with it, to evaluate this work that is supposed to enrich the information available to the general public.

I read this brochure, and I must say that nothing in it caught my attention. In fact, everything in this "green" pamphlet that is presented by the individual or group of conservationists that produced it as scientifically based warnings to the citizens of Bratislava concerning unresolved environmental problems has been under purposeful study for some time now by scientific, academic and sectoral institutes, as well as by other professional institutions. These organizations have been drafting programs to resolve these problems, and submitting these proposals to party and state agencies. Much of what they have proposed has been implemented. We have lacked the resources to implement other suggestions, and in some instances where we have allocated resources the projects have been executed in a sloppy, unprofessional manner. At the same time we continue to violate sometimes elementary rules of environmental protection, with the violators escaping with either inadequate penalties or no penalties at all. These matters, however, have been the subject of open and critical public discussion, in the press, on television, and on the radio. Recently even more public attention and criticism has been focused on those responsible for failures to implement tasks related to environmental protection.

These criticisms have at times been excessive. PRAVDA, PRACA, and other mass media have at times touched raw nerves. The answer to the question whether we have done everything possible to preserve the environment is no, we have not done everything in our power. It is my opinion that we should be more specific and assertive in unmasking those who damage the environment, particularly in following through on the initial public criticism. The media should follow these cases until a specific solution has been found, and the responsible people punished. In this sense we in the media are not informing the public as well as we should. At all levels: the press, television, and the radio, the level of assertiveness, consistency, and specificity demanded by high level party agencies is still lacking. The "green" pamphlet, however, contains no mention of these efforts.

The question arises: why did these people publish this pamphlet, presenting all the most negative aspects of this problem situation. Why did they choose to write, in some places, in catastrophic terms about matters that the

citizens of Bratislava are well aware of? To be sure, the citizens of Bratislava are aware of these issues as entire complexes of interrelated problems and tasks, not as individual problems presented out of context. Intentions became clear to me once I realized the objectives of the compilers of this volume. These people were not interested in presenting a comprehensive, professional analysis of specific problems, along with proposed solutions to them. For example, how could any qualified professional propose that Slovnaft be moved, without presenting economic data to support the proposal? Moreover, this brochure is silent about specific measures that might be implemented immediately to minimize the impact of continuing operations on the environment. Or take the case of Petržalka, where apparently the completion of this housing project is lagging behind the requirements of something known as the aesthetic environment. "They" are responsible for this, not any specific contractor or, in the final analysis, the residents of the housing project themselves. The rest of this "green" brochure follows the same pattern. It makes categorical demands, and assigns blame. It is not convincing. In fact, after reading it my feeling was that there really is nothing new under the sun.

Now, after cramming a lot of information from discussions with experts, both pro and con, into my head, I can state quite objectively that the "facts" presented in this almost apocalyptic "green" pamphlet cannot be considered serious arguments. The pamphlet assembles fragments of information from scientifically based, broadly conceived research projects, removes them from their original context, and tendentiously reworks them for their shock value. No matter how well the authors of the pamphlet try to camouflage the fact, the original reports were produced at the request of high level state agencies to help them meet the needs of our society.

In this article we will not, and have no desire to, analyze individual passages from this pamphlet. It would not be difficult to refute what in this pamphlet is either not stated, not responded to, or taken out of context, with comprehensive statements from qualified researchers. Are we exaggerating? Or do we simply not want to, and indeed cannot comprehend the importance and goals of the compilers of this pamphlet. Why would the compilers of this pamphlet include among their contributors only less well known researchers from all sectors of the economy, the R&D base, and culture, who have analyzed previously submitted and carefully processed data from more than 350 research projects, comments, and statements in various reports, yearbooks, articles, and party and government resolutions? The fact of the matter is that many of these contributors and authors began distancing themselves from a work compiled in this way, once they learned what they had analyzed or researched, and that the compilers of the pamphlet were citing their work out of context. The compilers of this pamphlet, which they call a document, either unknowingly, carelessly, or intentionally, are putting well known experts in

a bad light by stating in the pamphlet that the materials on which any discussion must be based are presented in the pamphlet, "...in full awareness that there may be errors and omissions..."

Such a pamphlet, believe it or not, is supposed to serve as a credible basis for a so-called broadly conceived and comprehensive discussion. To top it off, the authors force on readers proposals for absolute, all-encompassing solutions to the problems that are so wide ranging and costly as to be unaffordable for any country in the world. The bottom line is, whether you like it or not, that this "document" conceals, under its pretense of scientific foundation, a foundation not lacking in cleverly evoked emotionally tinted calls to a struggle almost for the preservation of life, a categorical summons from the compilers "...to a public discussion on the future development of Bratislava which, through the participation of citizens, experts, and well known cultural and scientific authorities, would reevaluate current strategy, and search for a contemporary, comprehensive conception of the role and form of the capital city of Slovakia."

This has already been done, don't you remember? At that time, 20 years ago, a summons was issued for a project to reevaluate "current strategy." The authors of that pamphlet also covered themselves by saying that their facts might contain errors and omissions. The summons of 20 years ago turned out to be a clarion call for a boundless, unmerciful, uncompromising discussion, a form of public or social struggle against "them." One can consider the pamphlet of Bratislava Out Loud as the same type of clarion call to a "joint" struggle against "them." There is no other way to view this "testimony on the current status of Bratislava" which, as the compilers note, "came about because of the number of members, the scope, and the impact of the activities of the largest nonprofessional basic conservation organization in Slovakia, Basic Organization [ZO] No 6 in Bratislava, and because these activities were in line with the interests of other active Bratislava ZO associated in the city SZOPK organization (specifically ZO 3 and 13), as well as informal groups and individuals (nonorganized nature, historical, and environmental conservationists). Remember that 20 years ago everything began when informal groups began to present themselves as defenders of "people's" interests, arrogating to themselves the right to submit, informally but categorically, proposals or problems for discussion at "public" forums. These discussions invariably resulted in "they" going in the direction proposed by the "informalists" or the "independent, nonparty groups." Then, as well, these groups "peaceably" stated that they were interested only in the public good. Then, as well, citizens were talking in the same terms used in the above, apocalyptic "document": "...we are interested in you having an interest in convincing them to have an interest in our common interest!" There is nothing original here. It is just old wine in new bottles.

Discussions are necessary. We need to generate and pursue discussions aimed at aiding the development of our socialist

homeland. After all, unless we deal with the conflicts and ongoing contradictions that face us, we will never move ahead. It is especially necessary to emphasize this now, when the stated policy is to improve and expand on the information available to the general public, call it glasnost if you will. In this environment more comprehensive, more specific, more scientifically based, and more specifically directed analytical discussions related to every aspect of ongoing socioeconomic development will become a part of daily life.

These discussions cannot ignore, or fail to consider wider ecological problems as a part of problems of a more local nature. The wider problems cannot be addressed with simply local measures, even in Bratislava. The compilers of the above pamphlet surely are aware of this. Without this wider, world recognized, ecological context the arguments put forth by the compilers of this pamphlet, which they uncompromisingly must discuss in an open forum, have to be considered as having nefarious intent. They even make this proposal without blushing at the fact that they want this discussion "in full awareness of possible errors and omissions."

This statement in the introduction to the "green" pamphlet is clearly motivated by the unclear conscience of the compilers, the knowledge that this document that they are forcing on the public contains only half-truths, and is in fact a masterful manipulation of various well known documents and published views. This is in part confirmed by the fact that the compilers of this pamphlet have abstracted from the overall picture of positive achievements and problems that accompany development in all urban-industrial agglomerations (of which Bratislava is not exceptional) only the negative aspects of development, asserting that these problems are somehow a systemic consequence of "current strategy." At this level this so-called scientific pamphlet assumes a qualitatively different dimension. It becomes a political summons, a summons to political action against the implementers of the "current strategy."

Even so, not all the problems mentioned in the pamphlet are distorted. Many of them actually exist, and many have existed for some time. These are not unknown problems, however. The highest level party and government agencies have discussed them more than once. In the current period of expanding and increasingly comprehensive critical analyses of the fulfillment of the socioeconomic plans for national development, and progress, we are not afraid to state that, in the context of this beginning revolutionary restructuring of our society, this document foisted on us by Bratislava Out Loud is nothing more than an attempt on the part of, mildly put, an opposition minded group, to politically destabilize efforts aimed at the economic and political renewal of the dynamic development of our socialist society. This is the focus not only of the CPCZ, but also of all organizations participating in the political platform of the National Front. I myself am convinced that most of the members of the ZO of the SZOPK also share this goal. Those who compiled the above call to action operate in a few of these ZO, but without the consent of most of the

members. We have to believe that the members of the interest group of the Slovak Union of Nature and National Conservationists in Bratislava, the compiler of the Bratislava Out Loud pamphlet, with its clear political oppositional, antisocialist motivations, will stand up to prevent this clear attempt to create an interest group standing in opposition to the political system evolving within the National Front. The compilers, and also some of the contributors to this "green" brochure should seriously consider whether or not they want to contribute in a purposeful way to the resolution of large and as yet unresolved ecological problems, or whether they want to continue with their pseudo-revolutionary or, more precisely stated, tendentious presentation of facts, thereby providing ammunition to anticommunist and anti-Czechoslovak centers. By doing so they would join the ranks of those referred to by Comrade Milos Jakes at the Seventh CPCZ CC Plenary Session as "people who figure that they can turn the process of restructuring against socialism."

Why are we not taking issue with the incorrect views presented by these, as they call themselves, unbiased compilers of what is actually a tendentious, samizdat document? An appropriate question. The main reason is that the content, form, and objectives of the document in question marks it as material intended to present the public with "expert" disinformation, with the objective of the gradual political destabilization of current efforts to renew dynamic social development. A second reason is that there is nothing to discuss, in the context of increasing public access to information, with authors who force wide ranging discussions of their positions on the general public when these arguments, as they themselves admit, may contain errors and omissions, i.e., are based on clear half truths with the intention of distorting the facts. Any discussion that means to be serious and fruitful must be based on correct, nontendentious data.

The best way to view this "case" is as an important lesson. It is an excellent example of the intensity of the struggle developing in the contemporary world around ecological problems, and of the comprehensive attention we must devote to their positive resolution and to providing complete information on these issues to the public. In the words of Jozef Lenart at the January CPS CC plenary session: "We must not forget that issues of ecology and the environment also have a political component, that anticommunist propaganda is attempting to exploit "ecological arguments" against socialism. These efforts are having an impact here at home. While we welcome an interest and involvement of our citizens in environmental issues, we are opposed to activities by individuals that disorient our citizens by spreading "ecological pessimism," cast doubt on the strength and capabilities of our system, and on party policy."

The case of the "green" brochure is a perfect example.

9276/08309

Trade Unions To Fulfill New Tasks

24000052 Prague RUDE PRAVO in Czech
18 Jan 88 p 1

[Editorial: "School of Administration, Economy, and Self-Management"]

[Text] The 7th session of the CPCZ Central Committee discussed, among other things, the current and future role of the Revolutionary Trade-Union Movement [ROH] during the restructuring of our economic mechanism. In connection with the discussion of issues related to the development of socialist democracy and self-management, the report by the Presidium of the CPCZ Central Committee stated that in the new situation the role of our trade unions will not be diminished but rather continue to grow. A vital task of our trade union agencies and organizations is to protect our working people's social interests and rights, to help expand their initiative, and to unify team efforts in the fulfillment of labor tasks.

Naturally, these tasks were already included in the program of our largest trade-union organizations. However, it is hardly coincidental that in the first place it is specifically demanded that the social interests and rights of our working people be protected. This task was stipulated as the basic duty of the trade-union organization, because it expresses its fundamental purpose. The whole program of the ROH must correspond with this demand.

Nevertheless, a question may arise: What about the workers' initiative, socialist competition, and the development of movements whose purpose is to support our economy? What will be their purpose? It should be noted that the trade unions will continue to help promote the initiative of our working people, and unify team efforts for the fulfillment of the task to accelerate the process of our economic intensification. Therefore, our working people's social interests and rights represent our goal, and labor initiative is the precondition for their achievement. This principle must permeate every activity of the ROH, of its organizations and agencies on every level of the trade union structure. Its daily work must be conducted in agreement with that principle, and its correctness and effectiveness must be rated with this in mind. The extent of its benefit to our working people's social interests and rights will serve as the most accurate compass in the search for, and in the enforcement of, the methods and forms of our trade unions' work.

The demand addressed to our trade unions—unswerving protection of our working people's social interests and rights—agrees with the primary objective of the party's policy, namely, concern about people and their happiness, and guaranteed maximum growth of their material and other needs. However, this principle was often ignored in the well-intentioned effort to fulfill assigned economic tasks and planned indicators—in an effort to overcome various obstacles standing in the way in the

past and at present. Its fulfillment was lost behind the lofty figures of tonnages and percentages of the plan, as if they—and not the people and their life—were the purpose and the goal.

And precisely the trade unions are expected to confront such explicitly technocratic attitudes. Alas, there are many cases where individual managers and even economic and state executives in their administrative and planning work occasionally disregarded the principle demanding that our people and their needs be protected. The trade unions and their officials failed to take up an appropriate stand against that.

The reasons were—and are—not the same; they may be objective or subjective, stemming from inaccurate definitions of the imperative that the economic, party, trade-union, communist youth and other official representatives in factories and enterprises adopt a united approach because, in particular, the economic management used to interpret the idea of unity in its own way, from the viewpoint of its own objectives and goals which could not fully express the intrinsic sense of cooperation based on all partners' mutual respect and specific mission. Regardless of social and labor consequences for a particular team, the effort to fulfill the plan by any means and at any cost too often predominated. In this respect the situation is still not always what it ought to be. Substantially more favorable conditions for a comprehensive development of protection of our working people's social, cultural and other interests by the trade unions will be created gradually in the new situation, when the law on state enterprise is in force.

Moreover, the trade unions will share responsibility for the assertion of our working people's will and interests in public self-management. As the 7th session of the CPCZ Central Committee stated, this will fulfill "their role as a school of administration, a school of economy, and also a school of self-management." It is expected that the ROH will use its abundant experience gained while implementing social control directly in workplaces, at production conferences and in the whole structure of its own trade-union work, and apply it to encourage appropriate recommendations, suggestions and initiative of our working people both in the economic management and in agencies of self-management of the work team.

Thus, the trade unions will serve as a ground for exchanges of views, and a school for our working people in their search for the most effective method of organization of highly profitable, economical production efficiently managed in the interest of our society. In other words, the trade unions will train their members to act as true stewards; they will expand their participation in the administration and organizations of labor; they will be represented in self-management where the trade unions will find far greater opportunities for exerting their positive, effective influence on the production process. Thus, the trade unions will share more responsibility for

the overall progress of the factory or enterprise, and for its contribution to the advancement of our society, while protecting the social interests and rights of the work team.

The mission of the ROH will then find a practical expression in our people's active participation in administrative, decision-making and problem-solving processes, and in their greater social involvement and initiative in the production which is the base and the core of the whole restructuring of the economic mechanism and of a more thorough enforcement of socialist democracy in every workplace.

The most significant changes thus far have only reached the planning and testing stage. The future development will define new methods and forms of trade-union work; it will require more precise specification of the new process, in agreement with the changing situation, as well as the restructuring of the work of the trade unions themselves, and a quest for the rationalization of the trade-union structure.

However, the trade-union program must be immediately upgraded, its effectiveness enhanced, and any formalism and ingrained stereotyped eradicated.

9004/08309

HUNGARY

Overview of Relations With U.S.: Human Rights Factor Important

25000110 Budapest KULPOLITIKA in Hungarian
No 5, 1987 pp 62-75

[Article by journalist Tibor Nagy: "The Situation, Perspectives of Hungarian-American Relations in the 1980's"]

[Text] By now, a mutually advantageous and well-developing system of relationships has evolved between the Hungarian People's Republic and the United States, in the political, economic, cultural and other partial fields. This has been accepted by international public consciousness as a fact recognized by both governments. This favorable evaluation holds true not only in comparison with the low point reached during the cold war period, but also with respect to the developmental dynamics of bilateral relations during the past decade. A special merit of this system of relationships can be found in the fact that during the past decade it hardly followed the fluctuating pattern of the relationship between the great powers—as a stabilizing factor in Western relations, the relationship between Hungary and the United States played an international political role that transcended the interests of the two countries. It is a well-known fact that during the past years Hungary occupied a unique place in the East European relations of the United States. We have seen, and we can see that the American government "ranks" its relationships with

socialist countries. In terms of our relations with the leading power of the capitalist world it is difficult to circumvent the given fact that irrespective of how much we endeavor to successfully enforce the principles of equality and mutual advantage, one cannot begin to realistically assess the conditions of these bilateral relations and their perspectives without examining the great power's intentions, its order of values enforced with respect to the region, and the factors that influence the "ranking." At the same time, from this viewpoint the late 1980's is a rather unfavorable period which offers few fixed points. The coincidence in time of an outgoing United States administration which is burdened with internal problems—one, which for this reason carries the danger of taking inconsistent political steps, the changes in the Soviet Union and the resultant rapid developments in Soviet-American relations, as well as nouveau political and economic movements in East European socialist countries, in the mutual effect of these relative to the first two factors suggests caution in assessing the perspectives.

Given Factors—Limitations

If one wants to define certain trends despite the factors of uncertainty described above, at least three facts may serve as fixed points. These facts may be discovered through an analysis of the past and present-day East European policy of the United States. (From our standpoint all of these factors are restrictive in character, or at least they demand adaptation on our part. In and of themselves, the recognition of these facts is one condition that enables the exploration of existing opportunities in foreign policy.)

(1) The United States is a great power, which, by virtue of its political, military, economic, scientific-technical and other predominance is capable of sustaining its own interests with greater effectiveness in its relations with small countries. The definition of this national interest decisively depends on domestic policy factors: in a specific case it is the evolution of the relative strength of domestic policies that defines which conception of the national interest prevails with respect to the administration's foreign policy. Thus, it is the alternatives that emerge from this process which circumscribe the space available to the partner country's foreign policy. In its East European relations during the past decade United States foreign policy was based on a recognition of the historical, political, economic and social differences of the individual countries in the region. This is a policy based on "differentiation" which the United States deems to best serve its interests. (Footnote 1) (The American policy of differentiation establishes a dual requirement for the countries within the region. This dual requirement is being handled on a discriminatory basis by the United States—it serves as a virtual criterion for granting a "reward" for the various countries' appropriate conduct. In a simplified form: (a) "liberalized" internal conditions in the economic, human rights and

other fields which can be presented as the prevalence of Western ideals and mechanisms; and (b) the "distancing" by a given country from Soviet foreign policy.)

(2) It follows from the above, that from the viewpoint of socialist countries the fact that United States policy concerning East Europe is decisively a function of United States-Soviet relations is a further limiting factor. From this standpoint, insofar as the United States is concerned, the significance of the region is conditioned by a series of factors and political goals with which one must reckon with in the coming decades.

(3) United States relations with East European socialist countries is by far not in the forefront of American foreign policy—it is not being treated as a "major political" issue. Practical experiences of the past decade indicate that from the tactical viewpoint of the American administration, the development, alternatively the freezing of relations with individual countries in the region was handled in most instances in a manner that was reactive to situations that evolved, rather than initiative. Accordingly, one cannot see a coherent, consistent policy conception. As a matter of long-term experience one must also consider the fact that East European policies instantly become a "major political" issue in the plain view of the legislature and of all government agencies, if under intensified conditions situations emerge which may be potentially explored from the viewpoint of United States interest. In such instances the door opens to uncalculable, frequently extreme steps which act as playthings in the service of domestic politics, and which are difficult to fit into the logic of the political conception designated by the word "differentiation" or some other watchword. This is indicated by the 1980's event in Polish-American relations that took place in the wake of the Polish crisis.

The Rearrangement of the United States East European System of Relations—The Limits of the Policy of Differentiation

Before examining the specific Hungarian-American relationship it is useful to consider the aggregate anticipated effect of the factors enumerated above, if for nothing else because the American side views its system of relations with socialist countries in the total context, and the evolution of that system—except for relations with the Soviet Union—largely depend on American intentions.

What kind of situation emerges from the standpoint of developing relations between the United States and the small socialist countries, if the normalization of relationships that has begun already continues between the United States and the Soviet Union on the one hand, and the individual East European socialist countries on the other? In other words, provided that in the policies of future American administrations the endeavors of advocates of the extremist, confrontational line do not predominate. An examination of the issue in a broad context indicates that relaxation, and development of an

atmosphere that helps enable normal economic and other contact is in the long-term national interest of each and every affected country. At the same time, within the United States-East European system of relationships a rearrangement, a shift in the point of gravity is becoming unavoidable.

In what direction does the rearrangement point? Fundamentally, and put in simplified terms: in these days already one can detect a trend in which individual socialist countries (and especially the Soviet Union) occupy their proper places in the "Eastern" system of United States relations according to their size, and political and economic weight. The criteria for this trend do not evolve merely on the basis of objective given factors—e.g. area, population, economic potential. They evolve pursuant to factors to which varying weights are being attributed that are appropriate from the peculiar viewpoints of American politics. Among the latter one finds a country's geopolitical situation, the existence and strength of the opposition, the role of churches, certain traditions, and American domestic policy factors, such as the size and political weight in the United States of emigrants from a given country, etc. Since this system of criteria does not represent an absolute, but instead in its individual elements is the object of subjective political judgment, it is difficult to establish an accurate scenario and an "order of listing" on a country-by-country basis, and thus Hungary's place. A more significant conclusion is that these factors can be influenced in part, and leave room for Hungarian foreign policy to realize some substantive, pragmatic, flexible conceptions regarding the development of relations.

The other catalyst for rearrangement is the re- and de-valuation of the yardstick for differentiation—which, in any event, is relative—in the wake of evolving transformation processes in the Soviet Union and in other socialist countries.

The fact that American criteria are becoming relative in connection with "internal liberalization" is the beginning of a development which parallels the evolution of social transformation that has begun in the Soviet Union. Particularly in the area of political reforms, an American situation analysis by which the Soviet practice will "run ahead" compared to the practices of Hungary and other smaller socialist countries is conceivable. This then would render meaningless, or at least a matter of secondary concern from the American policy viewpoint the application of the internal criteria of differentiation. In the final analysis, the issue emerges in the context of the extent to which the tendency which may be characterized with the term "differentiation" will survive as part of United States East Europe policies, and the place which the relationship of Hungary and the United States takes in this process of transformation.

During previous years the limited scope of the goals and instruments system of the differentiation policy accompanied the practical enforcement of this conception as a characteristic feature.

In regards to the system of goals it is apparent that results are the chief criterion from the viewpoint of American domestic policy factors which enable continuation of the policy of differentiation. Viewed from the American side, from this standpoint the past period is rather mixed. Most certainly they register certain elements of the Romanian foreign policy line, or for that matter the "liberalized" domestic situation in Hungary as results, moreover they view as results the "more differentiated" approach to East Europe through the policy of differentiation, and signs that indicate partial acceptance of that policy by the target countries. At the same time it is fact that the policy of differentiation which more like goes along with the developments that take place in these countries, rather than actually prompts or enhances these developments, did not prove to be of a catalytic nature, and not as a truly comprehensive foreign policy conception. In places where recent American foreign policy manifested the most active and most goal-oriented presence in this respect—in the case of Poland—they did not succeed in effectively exploring the sole opportunity that offered itself to "drive back Soviet influence." Presumably, the Polish events of the 1980's provided a long term educational value to the framers of American foreign policy for a long time to come. (Among the fundamentally differentiating, but more sober, moderating factors we can count on the influence of Western European allies on American foreign policy, and on what serves as a foundation for that influence, the "image of East Europe" in the eyes of West Europeans.)

The limited system of instruments available to [the policy of] differentiation became evident in recent times from the standpoint of opportunities for both "punishment" and "reward." Also in the future one must consider as given factors the realities of the international power structure in regards to the former, and the restrictive effect of American domestic policy factors with respect to the latter.

While socialist country receptiveness toward the favorable elements of American differentiation endeavors has politically increased, these countries' examination of the practical results of this policy—i.e. actual economic and other gains by socialist countries that were "initiated" by the United States—yields a weak balance, frequently only a gain that is of idealistic value. In the framework of the given system of instruments (in which the realistic political forces of government must enter into a fight for each and every step or gesture that is supposed to demonstrate differentiation, against administration or legislative forces which are hostile or indifferent toward the region), one can hardly count on an actual improvement of the balance. The increased recognition of this fact by socialist partner countries can itself reflect upon the effectiveness of the policy of differentiation, and in the end may raise questions as to the sense that policy makes from the standpoint of American endeavors.

If we assume that American differentiation endeavors will continue in regards to our region, the situation is

further complicated by the possibility of often unexpected actions that do not fit into the administration's foreign policy conception, or are fully contrary to that conception. Among the reasons for this we find internal political forces that have diverse interests, and changes in the legislative mood. (The possibility for this always exists as a result of the peculiar features of American domestic politics, as exemplified by the latest legislative campaign for the suspension of Romania's Most Favored Nation [MFN] status.)

For the time being we must view the background activities of the most extreme anti-Soviet and anti-communist forces as a durable factor, one which under an appropriate political constellation can, at any time, push to the foreground the bloc view of socialist countries, or the conscious deterioration of relationships based on the "the worse, the better" principle, or its conception of economic "tiring out," which, in its ultimate stage may be elevated to the level of political practice.

Taken together, from the viewpoint of Hungarian endeavors to develop relationships the most fundamental conclusion one can reach is that the United States under any circumstances uses a system of ranking in its East European policies, regardless of whether such ranking takes place in the framework of differentiation or some other conception. The ranking criteria of a partner country may change in terms of emphasis, nevertheless under all circumstances they reflect the peculiarities of the American political and ideological system of ideals. A characteristic instrument of this system within bilateral relationships is the linking of the greatest interests of the partner country (e.g. economic, technical) with other areas that reflect American political priorities in the service of great power endeavors (e.g. ideological, human rights.)

Hungarian-American Relations

The latest, comprehensive, high level political evaluation of Hungarian-American bilateral relations is contained in the MSZMP Political Committee April 1983 resolution. The analysis at that time reflected the assessment generally accepted by political and economic organs today, according to which our relationship with the United States in the recent decade evolved in a favorable direction, consistent with the interests of the Hungarian People's Republic. Aside from acknowledging the substance of this fact, one must point out that the optics of the positive evaluation were significantly determined, and continue to be determined by the dual basis of comparison:

—Compared to the political remnants of the cold war era—a period heavily burdened by issues pertaining to estate law, the coronation jewels, as well as by the unsettled nature of commercial relations—in the second half of the 1970's there indeed came about a decisive change when conditions for settlement were established from the standpoints of both international policy, and

American domestic policy. The American (Carter) administration of those years was capable of taking normalizing steps, which were based on the recognition of the international prestige of, and the domestic situation in the Hungarian People's Republic, while at the same time serving its own interests and its assessment of the international situation. In 1978 the United States enhanced an upswing in Hungarian-American relations not only by returning the coronation jewels and by signing a trade agreement (with MFN status secured as a concrete condition,) but also to a large degree by way of the demonstrative political effect of these decisions. These actions proved to be effective determinants of the atmosphere for development of a relationship for a decade, and even today.

—The optics of the assessment of Hungarian-American relations were also obviously influenced by the fact that it coincided with a deterioration in Soviet-American relations, with the events in Poland (and from this viewpoint we may include here the periodically more critical assessment of the Romanian domestic situation). In their totality, these events "upgraded," assigned a higher value to Hungary within the American East European system of relationships, even though in its essence, also this outcome was independent from Hungarian intentions and endeavors.

This period, which was potentially favorable from the standpoint of developing relations between the two countries, was made use of only to a limited extent—after all, the differentiated American treatment of the Hungarian People's Republic was mostly limited to political declarations, to a more moderate tone of voice, and more frequent contacts. The reason for the limited use can be traced back only in part to the limitations of the systems of goals and instruments of the policy of differentiation, or to the "brakes" that were prompted by the international situation. A realistic, self-critical analysis must acknowledge the fact that Hungarian recognition, and later acknowledgement of the opportunities, and the temporal nature of the period in question took place during a period in which the multitude of signs that suggested a rearrangement of the United States East European system of relationship was on the "decline." This is an important notice from the standpoint that to a large degree the factors that influenced the shaping of relationships were not, or were just barely subject to our influence. Progress demands from both parties a continual reassessment of the system of relationship, a search for compromises which takes into consideration the interests of the partner, and a practical, flexible policy.

The achieved level in Hungarian-American political relations itself shows development during the past decade, and given an appropriate political constellation, it also provides ample perspective for progress. The highest level contacts so far between the two countries are represented on the Hungarian side by CC secretaries Ferenc Havasi and Matyas Szuros in 1983 and 1987, and on the American side by Vice President Bush's visit in

1983. In spite of this, the total picture indicates that the unquestionably increased American interest in Hungary manifested in the late 1970's and in the 1980's was reflected to a lesser extent in the frequency and level of visits by governmental leaders, as that is demonstrated by the fact that 13 years had passed between visits at the foreign minister level. (Following Secretary of State Rogers' 1972 visit, a trip to Budapest by Secretary of State George Shultz—which had the value of a virtual breakthrough—took place in December 1985 imbedded as part of a tour of East Europe. Since then his deputy, Whitehead also visited Hungary, and dialog at various levels with varying content was conducted at more regular intervals. (Footnote 2) (Cyrus Vance came to Budapest in January 1978 not on an official visit in his capacity of Secretary of State, but as President Carter's special emissary, heading the delegations that returned the coronation jewels.) A shortfall can be experienced particularly in trips by leading government officials having cooperation as their purpose, and the lack of such trips. The picture is more favorable with respect to visits by representatives of the legislature and by other public figures, such as currently influential statesmen and politicians. This is so even if the bulk of such trips is based on individual initiative, and are somewhat ad hoc in character, and therefore, in terms of cooperation between the two states such visits represent contacts of limited utility and effectiveness. A substantial increase in American political interestedness resulting from such contacts cannot be expected in the future either, because of uncertainty factors and domestic policy characteristics. Thus efforts must be made primarily by the Hungarian side, particularly in the direction of the legislature as a central political force, which is continuing to gain strength. In order to accomplish a relatively paced development of Hungarian-American relations one could hardly do without a conclusive political effect, for which the reserves must be sought to a large degree in the regularity of political contacts.

The development of Hungarian-American trade and economic relations holds most commonly shared interests, and therefore it constitutes the area with the most perspective in cooperation between the Hungarian People's Republic and the United States. Increased trade following the signing of a trade agreement in 1978 which established the framework for bilateral merchandise trade, considering its size, ranked the United States more appropriately in the framework of our system of external economic relations. (In terms of our exports to capitalist countries the United States ranks fourth, and fifth with respect to imports.) By the mid-1980's the level of trade stabilized between 400 and 500 million dollars, resulting in a small Hungarian surplus in 1984 and 1986. (Footnote 3) (In 1986 our exports to the United States were valued at 231.3 million dollars, while our imports amounted to 199.2 million dollars. Source: Ministry of Foreign Trade statistics) and Hungarian exports tripled since 1978. A realistic assessment of perspectives requires that we note here that in light of American statistical data which determine the assessment made by

the American side, the ratio of development may not appear as positive or balanced. As a result of different accounting systems, the United States Government accounts for trade amounting to only 300 million dollars, and within that it views Hungarian exports as double the amount of American exports. As a result of this fact the American Government endeavours to achieve a better balance. (Footnote 4.) (The essence of the difference in accounting systems: United States statistics do not include American merchandise not shipped directly to Hungary, but instead reached Hungary with the involvement of third parties—in given situations decisively West European countries.) Another sobering piece of data for purposes of assessing potential American interest: in the framework of United States foreign trade, Hungary's "weight" can be expressed only in terms of hundredths of one percent (in exports approximately 0.09 percent, in imports 0.06 percent). Even if trade would increase greatly the ratio would remain negligible.

Aside from all that, however, Hungarian economic-commercial factors view the situation as having an economic partner who holds great opportunities, and a market, which in the context of capitalist trade is for the time being sufficiently liberalized and is devoid of discrimination. Theoretically, in this market, in spite of the unquestionable existence of political and economically motivated limitations, there exist great opportunities for the development of trade and other forms of economic cooperation. The upcoming period will present a particularly great challenge to Hungarian authorities and enterprises because of the unexplored—even in a geographical sense unexplored—American market, and with respect to the establishment of market and other conditions through foreign trade orientation toward the Western, Mid-Western and Southern states and regions. These areas have not been explored from the standpoint of either exports or imports. Beyond the purely commercial implications, even today, the United States is the target country that offers the greatest (potential) opportunities from the viewpoint of raising the technical-scientific level of the people's economy by way of external economic relations. The significance of this will continue to increase in the future as can be seen in the generally predicted broadening of the scientific-technical developmental abyss vis-a-vis the United States and the rest of the developed capitalist countries. However, the chances of making use of objectively existing opportunities for trade development are corralled within rather tight limits: (a) by American foreign trade policy considerations; (b) by domestic policy viewpoints; and (c) by realities related to the condition of the Hungarian economy.

(a) In terms of obstacles presented by foreign trade policy one must count on the long-term effects of the protectionist mood of the American political and economic sphere, and of regulatory law which already in our days manifests restrictive actions. What serves as a foundation for this—an endeavor to bring to a halt, and later to

reverse the further increase of a record budgetary and trade deficit—in and of itself presents tasks for American administrations of any color, for decades to come. It is already a barely noticeable, but realistic danger that market protectionist reactions, instigated also psychologically by domestic policy and election considerations, and directed primarily against Japanese and other Far Eastern competition, will "sweep away" the market entry opportunities for the products of trading partners otherwise considered as having marginal significance, including Hungary. (In the preparatory stages of the new American trade act there emerged a conception, a plan, which would place countries with so called "non-market economies" on a separate list, and would strike those countries with disadvantageous tariffs.) From the standpoint of future Hungarian-American economic relations one of the key issues may be the extent to which it is possible to offset the American view of [dealing with a] bloc of countries, and to channel the application of possible protectionist actions against socialist countries into a sober river bed in which mutual economic interests are not injured.

(b) Also the political barriers which narrow the possibilities of bilateral trade expansion are nurtured in part by economic-trade concerns. This is particularly so with respect to the annual renewal or a multi-year extension of the MFN status. Since 1978—when the MFN status was secured—Hungarian trade diplomacy has endeavored to obtain a multi-year exemption from under the so called Jackson-Vanik amendment to the 1974 Trade Act, which ties the grant of the MFN status to human rights, and specifically to emigration criteria. One argument supportive of the Hungarian endeavor is the assurance of mutually increased trade, an increased consideration for the interests of businessmen and through that the improvement of direct relations between enterprises [and corporations]. Although in the course of congressional debates concerning Hungary's MFN status our trade policy position was not really endangered, nevertheless we feel that the principle and the political viewpoint is important, which is the elimination of the possibility that under the pretext of annual congressional debate the Hungarian domestic situation automatically becomes a regular subject examined annually under the magnifying glass of American political public opinion, practically in the pure context of a trade policy issue. The economic content of the issue becomes relative by virtue of the fact that with the passing of years the advantages of MFN status became nominal from the viewpoint of trade policy. These advantages may be further reduced in the coming years, if as a result of implementing the provisions of the new trade law our market entry advantages relative to other countries heretofore excluded from obtaining MFN status, also becomes questionable.

(c) In the present period a no less significant barrier to the development of broadly conceived Hungarian-American (and other) economic relations may be doubts relating to the assessment of Hungary's economic situation, uncertainties, and resultant political and business

considerations. An increasing number of signs and statements indicate that the questioning of the effectiveness of the Hungarian reform process which is prompted by Hungarian economic concerns, increasingly reflect a cautious, wait-and-see attitude both on part of the American government and by part of American business.

In this connection a conclusion which transcends the economic sphere, and which has been proven correct more than once in earlier periods presents itself as valid: in a later, more prosperous period of the Hungarian economy the approach taken by business may be separated from the political approach. Experience shows that while American businessmen and corporations, given appropriate conditions of efficacy and acceptable political safeguards are generally willing to cooperate, from the viewpoint of official American policies that primary yardstick by which the success of Hungarian reform is measured is the extent to which political conditions change in response to changes in the functioning of the economic system.

At the borderline between economic relations on the one hand, and technical-scientific relations on the other, from the Hungarian standpoint the issue of technology transfer is one of the most important elements of the Hungarian-American system of relations. In recent times, the restrictive American export licensing system was challenged by American business, and subsequently by related legislative endeavors aiming for an improved trade balance and for the preservation of the international competitiveness of American corporations. The restrictive system came about in part on grounds of strategic considerations, but in reality and decisively in order to preserve the international scientific-technological step-advantage of the United States. (It also guides all the known restrictions of the Coordinating Committee on Export Controls of NATO [COCOM].) As of today, the end-result of the process that has begun cannot be seen, but the already announced relaxations, which, for the time being apply strictly only within the COCOM countries, hold out the possibility that within the less sensitive stratum of the list of heretofore restricted articles Hungary's access to developed American technology may improve. Past experience nevertheless serves as a reminder that it is in this respect that American policies show the least amount of willingness to differentiate.

In the cultural and scientific sphere relations between the two countries develop in the framework of agreements (Footnote 5) (The governments of the two countries reached a cultural, educational, scientific and technical-scientific agreement in 1977, the implementation of which takes place on the basis of two-year workplans). In the meantime, however, some forms and trends that transcend these agreements also prevail. In the cultural sphere, a long-term projection of today's possibilities and intentions does not promise a moderation of the apparent, essential disproportion between the two countries' mutual cultural presence. In order to achieve such

moderation the development of interest on part of America, and the liquidation of the shortage of Hungarian financial resources would be necessary. In the area of cultural, scientific and educational exchange the United States is one of our chief capitalist partners. The United States is second in number of trips taken, and first in the length of stay in the course of exchanges. A projection of the present trend makes it likely that in this relationship the United States will soon take the clear-cut first place. Acceptance of occasional negative phenomena flowing from intensifying exchange relations is supported by the fact that this type of professional and personal experience is one of the most important, and in many respects irreplaceable source for the influx of developed scientific and technical knowledge. One of the main, stated endeavors of the incumbent American administration's policy toward Hungary (and generally toward East European socialist countries, and in particular toward the Soviet Union) is the large-scale enhancement of purely educational and youth exchange relations, marked by the watchword signifying the importance of "direct relations between people." Obvious ideological and propaganda considerations behind these American endeavors, and the contradictory nature of specific conceptions may suggest caution, but fundamentally they do not raise questions as to the necessity of responding to this challenge.

In recent years a multi-faceted system of relationships which crosses the limits economics, science and education came about between American and Hungarian institutions and specialized ministries (among these one should mention particularly the Ministry of Industry, the Ministry of Agriculture and Food Industry [MEM], the Hungarian Academy of Sciences [MTA] and individual universities). The development and utilization of specific relations of this character are important if for no other reason because there is a lesser perspective for the broadening of the framework of official agreements between the two countries. Our contractual relations with the United States, as compared to other socialist countries evolved gradually since the second half of the 1970's and are well developed. In the area of trade, cultural, technical-scientific, and educational, consular affairs the framework is given and works well, while in some pending areas there may be gradual openings for progress in proportion to the narrowing of differences in interestedness. These include the renewal of the 1972 aviation agreement, and the realization of the opportunities that rest in possible investment protection, customs and legal aid agreements.

The Hungarian emigres living in the United States, (although for objective reasons in the long-run it holds a diminishing weight) must be viewed as a factor that influences virtually every aspect of bilateral relations. In a broad sense, the Hungarian ethnic group in the United States numbers 1.7 million, in a narrow sense it is a group of 700,000 (Footnote 6) (Source: 1980 United States Census data). From the standpoints of Hungary's projected image, political value judgments, business,

cultural and other relations its importance is unchanged, but insofar as the promotion of specific bilateral cooperation is concerned, and from the standpoint of political interest representation its weight is far less than for example Poland's or some other East European emigration. This fact is related only in part to numbers. The phenomenon is more likely explained by the limited organization of Americans of Hungarian descent, and their limited willingness to take part in American domestic politics. In practice, these limitations are further limited by the fact that in the past, the Hungarian emigre community frequently exerted its influence in a manner that did not enhance the interests of the two nations. (This same moderate effectiveness, however, presents itself as a favorable phenomenon in the reduction of the activities and influence of the right-wing emigres, as that could be seen in the framework of activities related to the anniversary of the counter-revolution and other events. Their activities were limited to a decreasing number of people and evoked an increasingly smaller response.)

A similar American analysis of Hungarian-American relations would most certainly begin the review of individual areas within those relations by examining issues pertaining to human rights, which, by now indeed permeate every aspect of the relations. This approach is reflected in decades-old American policies, policies which survived changes in administrations. Many examples show that American policies observe and analyze the human rights "accomplishments" of individual East European nations, and treat those accomplishment in the proper political context not only as matters of principle, but as a practical political instrument. Such human rights "accomplishments" are interpreted at all times pursuant to specific political goals. (Aside from endeavors to link merchandise in Soviet-American relations, another example presents itself by conditioning the normalization of relationships with the Polish government with concessions in the field of "human rights.") In the Hungarian context the "instrument" character of the American human rights policy revealed itself mainly from the standpoint of a positive approach: during the first half of the 1980's official American assessments of the Hungarian practice of human rights set up that practice virtually as the example in the East European context, and at the same time the Hungarian practice served American endeavors with respect to the rest of the socialist countries, as well as for the basis of the reasoning and duration of differentiation toward the Hungarian People's Republic. It is a still prevailing peculiarity that for more favorably judged Hungarian human rights, American politics "rewards" Hungary with the mere recognition of that fact, (which of course may have not negligible "image" effects, and indirectly, some specific political and economic effects.

It is for this reason that because of the extensive effect of the entire system that revolves around the human rights issue—the American political assessment of Hungary, the cooperative preparedness of trading and economic

partners, etc.—it is important to recognize and to influence new trends that appear in this context. The phenomenon that is becoming distinct in recent years, namely that the American governmental analysis of the internal conditions of the Hungarian People's Republic abandoned the earlier, virtually "euphoric" approach, and places increasingly larger volumes of relative and critical elements into the public record. (This practice is followed also by the mass communication media, as a mutual effect in tandem with the governmental viewpoint, but generally with more extreme excesses.) Thus certain reports prepared periodically by the State Department, mainly for use by Congress, which deal with the human rights situation of the countries of the world, and with the implementation of the Helsinki closing documents, still continue to present a relatively positive picture of conditions in Hungary, (as compared to other socialist countries). Year after year, however, the number of mentions about specific violations of individual human rights, references to marginal cases drawn from subjective sources, moreover, in some of its points, the questioning of the Hungarian system of laws, or the criticism of the so far praised trading and commercial conditions increases. Within this, the American espousal of perfectly legal groups and institutions, in addition to the opposition, in their perceived or real conflicts with the Hungarian government are in the process of evolution, and appear as new phenomena. True, in this respect American policy is reactive to events, and attempts to utilize these events in support of its domestic and foreign policy goals. Nevertheless it is important to recognize the consciousness and the political motivation of this trend already at this stage, because it may become a paramount barrier to the development of our bilateral relations in the future. To offset this, and to pursue active political interaction, one must consider the further increasing role of Congressional political forces in the United States. More than one example in the recent past proved that there is a need for, and an opportunity to qualify our human rights "accomplishments" image that has evolved in the United States, and that in the interest of this we conduct "enlightening" political work in the legislative halls and within other political circles.

Perhaps the most significant conclusion one can reach on the basis of the results of mutual efforts exerted during the past decade, or more precisely, during the 1980's in the interest of a diverse development of relations between the Hungarian People's Republic and the United States is this: through the example of Hungarian-American relations, Hungarian foreign policy has proved in practice that there is a possibility for the establishment of a diverse, mutually advantageous system of relationships that is founded on equality, between a great power, the leading power of the capitalist world on the one hand, and a small European socialist country, on the other. In the event that in the upcoming period the opportunities for the further evolution of these relationships become narrower—as this eventuality cannot be ruled out on the basis of the above-described external

and internal reasons, and we cannot count on an active, advancing posture on part of the American side in every respect—then it becomes particularly important that we ensure that both in an absolute and in a relative sense the level of Hungarian-American relationships is preserved and further developed. We can do so by making maximum use of the available space for action that offers itself, and by quickly reacting with initiatives to new phenomena and opportunities.

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Rights, Duties of National Assembly Representatives Viewed

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[Roundtable discussion by four National Assembly representatives]

[Text] Public opinion is increasingly focused on the activity and performance of representatives, and on the stances taken by them on certain issues. In addition to representing their election districts, their speeches and recommendation reflect to a growing extent the interests of various groups, strata and branches. Voicing these interests takes great responsibility, since the representative creates laws which regulate and have an impact on the lives of all of us. Therefore, none of us can be indifferent to the representative's views, behavior and position.

How does the thinking of representatives develop; how do they interpret their responsibility, and what is their opinion about the way society controls their actions? We held a roundtable discussion about these questions. The participants were Gyorgy Bolcsey (Budapest, 63d electoral district), secretary of the legal, administrative and judicial committee of the National Assembly; Matyas Budzsaklia, deputy head of the state administration and administrative department of the Central Committee of the HSWP [Hungarian Socialist Workers' Party]; Istvan Gajdocsi (Bacs, 13th electoral district), member of the Presidential Council; and Karoly Viola, (Pest, 14th electoral district), member of the defense committee. Our journal was represented by Kornelia Dolecsko.

NEPSZABADSAG: How do you perceive the changes taking place in the debates of the National Assembly?

I. Gajdocsi: The representation of interests has become more accentuated in the plenary sessions, and the same can be registered in the debates, too. Debates have become more democratic, more open, and have overstepped the confines of committees. There is less and less of lip service, of so-called "outside" speeches addressed particularly to the electorate, of compliments paid to those submitting a resolution, and more and more of tough, candid expression of opinions in the sessions.

Representatives speak with responsibility of problems, of weaknesses in the implementation, of inconsistencies and also of what the voters expect. And this is the natural way of going it.

M. Budzsaklia: First of all, we have to face that, because of the new electoral system, the present National Assembly cannot be compared to the previous ones. Its members have earned their mandates in dual or multi-candidate competition. They all profess to be committed to socialism, however, their commitment does not rule out a variety in opinions and approaches, and the existence of numerous differing interests. The representatives are justified in and entitled to ask for responsibility in directing the state. They take their public office seriously and want to put their creative energies in the service of improvement. Their effort must not be hampered, even if it may cause inconveniences in a given situation, and gives more work to the regional and local directing organizations or the government organs. Of course, representatives' observations which are incorrect or lack any foundation should not be accepted. The leader concerned, whether of national, county or capital authority, should defend his position with arguments. The same is needed in the National Assembly, where the correct opinion can be made accepted only by conviction.

Double Obligation

NEPSZABADSAG: What do you mean by the representatives' responsibility?

K. Viola: My responsibility as a representative is twofold. On the one hand, I am accountable to my electors, whose confidence made it possible for me to be a member of our supreme representational body. On the other hand, I am responsible for the future development of the country. This double obligation is also a source of contradictions, but these are not irreconcilable. What do I have in mind? Here is our last big topic, the tax law. Certainly, no one is happy because of it, including me, since it will be accompanied by a price reform which will not exactly have the most favorable impact on our living standard. But if I consider the future of the country, and this was clearly expressed in the government's work program, voting for the general sales tax was inevitable for us.

NEPSZABADSAG: And also for the personal income taxes?

K. Viola: I did not mention it, because—although I am a believer in general and proportional sharing in taxation—I had and still have a different opinion about the personal income tax, so I voted against it. I think that the representative has to forward the citizens' opinion to the government, and has to explain and promote the government's ideas toward the citizens. I am saying this because nowadays these two often differ.

Gy. Bolcsey: As far as responsibility is concerned, I would start saying that at the beginning of this cycle, when my nomination was first mentioned, it was emphasized that the utmost duty of the fathers of the state is to deal with the country's issues. I think it is just as much one-sided a view as is another which can be heard here and there, and which is stressed more than it should be: that the representative should not care for anything but his electoral district. In reality, he has to represent both interests. To reconcile the two is not always easy and sometimes is even contradictory.

Because of the many changes that happened, many questions have to be asked and answered in a different way in order to help the recovery. Returning to the original thought, based on all this, it would be a great problem if the opinion and interest of 25-30,000 people—that many live in an electoral district—differed from those of the country. However, it occurs more and more frequently that supposed interests, arguments amplified by the voice of a few people appear to be questions of determining social, or perhaps, political importance. We must be careful; we can deceive the public with this. We have to try to be objective even if—and especially if—our objectivity does not lead to popular decisions. Different interests can and have to be gathered and confronted.

I. Gajdocsi: In the National Assembly we listened to Janos Kadar and we listened to Karoly Grosz. Not only did they say the truth, and not only did they say that convincingly, but they said it with authenticity. And we knew that no way other than what they indicated can be chosen. They offered a program which can be accepted by all honest Hungarians, communist and non-party members alike, because this is the only way to get out of the situation we got into.

I see our responsibility in that we need to take part in the debates with maximum effort and understanding, and with full awareness of social reality. We have to convey with conviction the positions reached in the parliamentary debates to our electors to whom we give an account and who either will or will not give a vote of confidence to us again.

M. Budzsaklia: In the major questions, the responsibility of representatives is determined by the fact that we have socialist relations in our country. This has to be stated clearly and unambiguously. The involvement of socialist parliamentarism cannot, either now or in the future, aim at creating a power center against the party or squeeze it out of the political direction. Hence, the leading bodies of the party formulate the principles of draft bills of political significance. The detailed content of the bills is determined by the National Assembly. The program of the social and economic recovery has already been mentioned; this had to be determined by the Central Committee and not by the National Assembly, as a

representative suggested. The government program approved by the National Assembly filled this stance, taken by the party, with the specific content necessary for the implementation.

NEPSZABADSAG: Our conversation so far has raised questions which concern many. How does a representative prepare for a session? The responsibility of legislation requires thorough socio-political and professional knowledge. In order to make responsible decisions, representatives often need to make detailed analyses and investigation of effects. Do representatives have the possibility to do this? Do they get help? Since in their majority they are not professional politicians, they do not have a staff; they are preoccupied by their job—how can they ensure enough time for themselves?

K. Viola: Preparation is possible, but time is often in "shortage." I do not have an apparatus to help me, although my workplace supports me in everything. Thus I have to look for adequate sources of information, just like many of my fellow representatives. That's why it is very important for us to receive the material to be discussed in time.

Gy. Bolcsey: That's true. In the case of a draft bill, two or three weeks are not enough, although this time is specified in the procedures. If we really want the representatives to be well prepared and the committees and representatives to make specific recommendations, then contrary to the regulation now in force, [material has to be received by the representatives] much earlier, and not 14 or 21 days before the session. It is quite incomprehensible, anyway, why a draft bill that took two or three years to prepare, about a field which has not been regulated for 15 years, cannot be received by the representatives even two months before the session.

Time for Preparation

I. Gajdocsi: Information has to be forwarded to the representative in time also for him to be able to discuss it with people, with his electors. At least, the county group of representatives should be able to put their heads together and exchange opinions. Because a certain bill and the phenomena related to it raise different problems and are viewed in a different way in Kecskemet and in Baja, or in the city and in the village. It is worth noting that there is a growing interest in the sessions of the standing committees. Almost everybody expresses his opinion in these, since the sessions of a particular standing committee are visited not only by its own members, but by interested members of other committees as well. They acquire information; they form their convictions; they obtain the creative courage necessary for legislation, which encourages them to debate if they see that something is not all right. But they need time for this, too.

K. Viola: Now, that we are sitting here conversing, three weeks before the winter session, we have received only one material, the one about legislation...

Gy. Bolcsey: Today, in this difficult situation, when the House will probably be presented with a slashed budget, I don't know who will be able to debate with conscientious preparation.

M. Budzsaklia: I share the view that the representatives need much more time to be able to prepare to perform their duties in a way which is in accordance with his conscience and satisfies his electors. What comrade Bolcsey said about forwarding the draft bills is a question of government decision. Nothing else should be done, the current practice just ought to be changed, and for example, the November draft could be sent out with the message that it will be debated by the spring session. It is different with next year's plan and budget. In the difficult situation we are in, the draft bill is formed and shaped almost until the last minute.

I. Gajdosi: Sometimes I feel that there are government organs which do not hurry things so that they can avoid deepgoing debates.

NEPSZABADSAG: From this aspect, the National Assembly seems not to pay enough attention to the budget and the closing of the accounts. The same is true for ministers' and chief authorities' reports, that is, the controlling function of the National Assembly.

Gy. Bolcsey: In my view, controlling is still in a beginning phase; I think we are just learning it. So far, reporting has been mostly formal. The reports were meaningful and responsible, but we, representatives, did not have a really well-founded opinion, not only because of our lack of preparedness, but also because it was not "fashionable" for a representative to also express those opinions which were contradictory to some aspects of the report. Both representatives and chief government officials have to learn how to conduct a civilized debate. Differing opinions should not generate anger. For instance, in the future the budget plan will be submitted to the National Assembly, together with the opinions of the already created and working ad hoc committee and the involved National Assembly committee. This can be encouraging in a debate.

I. Gajdosi: As far as our culture of political debate is concerned we have enough to learn. When I was the chairman of the judicial committee, I asked the ministers and state secretaries several times to present their arguments in the sessions and not to evade answering. Comrade Grosz gave us a very encouraging promise in this respect. Since then a state office has been created for informing and assisting representatives. This way, fewer remarks based on incorrect information will be made in debates.

K. Viola: There were suggestions that we should receive information about the status of the budget during the year. I think it would be very good; it would expand the controlling authority of National Assembly, provide better information for the representatives, and foster publicity of implementation. As for the other question, on a minister's or authority's reporting on what they have done and what they haven't, there is no precedent for holding those responsible who have failed to do something.

M. Budzsaklia: The reality is that we are witnessing changes in all areas, including in Parliament. Earlier, if a minister or deputy minister had to report to the National Assembly, he prepared for it with all fairness but also with the sure knowledge that his recommendation will be unanimously voted for. Circumstances have changed, and supposedly, the practice of reporting will change, too. The plenary session can decide not only about accepting or rejecting a report, but can also make an evaluating or task-setting decision.

NEPSZABADSAG: In your view, what content do yes and no votes, and abstention have? And in relation to this question, it is worth speaking about what kind of restraints party-member representatives have, since political parties, all over the world, demand that their members, elected representatives, represent and vote for the party's views.

M. Budzsaklia: What the National Assembly votes for has always political significance. Voting, even negative voting, has to be regarded as a part of the organization's work. Where 300-400 people are together, who have to reach a common point of view, there are always some who will not agree with certain details. The convincing force of the final stance is shown, among others, exactly by the fact that some vote against it and some abstain from voting. We are still not used to this. But as the debate culture is developing, this will be more and more typical of the way institutional opinion, even if negative, is formed. And, when various opinions clash head-on, the more active behavior of party-member representatives will probably be felt. Because in important, major issues they have to represent the party's policy, just like anywhere else in the world—with their votes, as well. And what the important, major issues are is determined—as is done everywhere else in the world by all leading parties—in our country by the HSWP.

K. Viola: The representative does not vote according to his current mood. I am not a party member. But I think, if someone is not convinced by the disputes, he either casts a no vote or abstains. The latter is a possibility which can be used if I cannot say either yes or no with full responsibility because of insufficient information or other reasons. But this happens quite rarely.

Gy. Bolcsey: A communist has to bear greater responsibility because he is accountable to both the party and the electors. But this does not refer to one man or one

organization. I think that I should give account in the most direct way of why I raised my hand, why I said yes or no, to the communists in the electoral district where I was elected. Because I support open voting that can be seen on television, and I can take responsibility for the yes or no.

I. Gajdocsi: Someone who is a representative in Parliament and votes, is a representative and votes anywhere else where he expresses an opinion. The voting, the taking of a stance is one occasion, but the commitment, the responsibility for the nation's fate and the carrying out of the party's policy is constant.

Strong Interest

NEPSZABADSAG: What kind of feedback do you get as representatives? Do you get any support or evaluation of your work from your electors?

K. Viola: There is much interest; I am invited to a lot of places, and I am visited by many, and there are many questions. What is missing is that neither the Patriotic People's Front nor any other organization has evaluated my work since I was elected, they have never told if I am doing my work right.

Gy. Bolcsey: I have similar experience. As a representative in Csepel, I am usually contacted after the session so that I would give information about the debate and help in organizing the implementation.

I. Gajdocsi: There is a great deal of feedback. It is our practice to give an account of our work as representatives at several forums. We do not get a direct evaluation of our work. I think reelection will show our weight.

NEPSZABADSAG: How do you view your chances of being reelected? Would you run for nomination again if things turn that way?

Gy. Bolcsey: We are at half term yet. Our future depends on how we can represent our electors in accordance with the country's interests. I am working and fighting for this until the end of this cycle. If our work, including mine, will be successful, and people will continue to have confidence in me, then the only thing I will have to think about is if I have enough strength to work through the next term.

I. Gajdocsi: I think it is too early to answer this question. If I take into consideration that people will measure with a yardstick which of our promises have been fulfilled, what we have accomplished, whether the country's future will develop as we would like and as we believe it will, then I can hardly decide now what is to happen to my mandate.

K. Viola: I agree that the answer to this question will be decided in the future.

M. Budzsaklia: Here we have been thinking about how the work of representatives could be more open, more meaningful and responsible. We are aware of the fact that Parliament will not be the executive and directing organ of the state and government issues either in the future, but it will have to fulfill its function with more strength. What it is all about is that the National Assembly should use its constitutional rights, and should conformingly promote and advocate the implementation of the July program of recovery of the Central Committee.

13212

Withdrawal of State Subsidies for Book Publishing Possible

25000090 Budapest PARTELET in Hungarian
No 12, Dec 87 pp 58-63

[Article by Erno Balogh, staff member of the MSZMP Central Committee Department of Science, Education, and Culture: "Book Culture at the Crossroads"]

[Text] Those who regularly go to bookstores, who observe the displays filled with ever newer publications and the variety on the overflowing shelves, may have observed at least three trends during recent years—trends which are certainly striking and which are closely interdependent with one another in their ultimate characteristics.

One is that the offering has become much more colorful compared to earlier choices, and in several senses. The covers of Hungarian books have become substantially more attractive and varied, in many cases more tasteful and beautiful; the covers today express the character of the work better, more faithfully indicate the content of the volume, and not least of all create a greater desire to purchase them. But also from the viewpoint of variety there has been a broadening, many "blank spots" in publishing have ended, they are trying to present works—to an increasing degree—for which serious reader demand has been shown. The second striking trend is actually linked to this one directly; in recent times the book trade has been offering an increasing number of readable, entertaining volumes (crime stories, sci-fi, reading matter), and this tangibly expansive process—understandably—has created many contradictions, to be analysed in more detail later. In addition, institutions which do not deal with book publishing as a result of their chief profile and even author publications are participating with extraordinary activity in dumping works of this type. Third, some of the books have become a good bit more expensive, and this trend affects more sensitively the regular customers, especially intellectuals beginning their careers in the professions and sciences who require the development of a home library almost as a precondition. But going beyond this, most readers today surely think twice whether to put in the shopping basket volumes costing—let us say—80 or a 100 forints (an increasing range of publications are in this price bracket), and many of the really nice graphic

art books simply cannot be purchased by many. The ratio of more expensive books has increased tangibly within the total selection (let us think of the many, many reprints and the many representative publications—at a corresponding price) and one can get really cheaply only a few types of works and series.

The constant increase in prices in this area can also justly come to the forefront of public attention because in recent decades all of us may have gotten used to the idea that cultural products and services are very cheap—to a great extent independent of the circumstances—and remained accessible to all without any special burden. Keeping the price level low was a true reflection of the basic principle of our cultural policy that the broadest possible social strata should have access to books—and to the values of literature and science embodied in them—in the spirit of the progressive ideal of cultural democratism and of creating an equality of opportunity. Of course, as for every ideal, this could be realized only contradictorily—cheapness in itself could not guarantee that real values should reach every stratum. The real preferences given could not leave out the circle of those who really did not need them—because of their higher income—and, on the other hand, the support applied to virtually all creations and types of work—without real differentiation. So it was not value and generally useful writing that had a low price but rather books in general. But taking all this into consideration it cannot be debated that in the final analysis the principle—guiding the considerable support for culture—proved productive and offered irreplaceable aid in raising the cultural level of society and in making our environment more humane. Such a subsidy is especially important in a country in which, because of the inherited cultural backwardness, reading and the reception of values could not become habitual or an organic part of everyday life. To quote the words of one of Istvan Kiraly's article: "The incredible cheapness of books, records, theater, movie tickets, museum entry fees, etc. brought high culture into the midst of the everyday of the masses. The low prices drew them. A need for culture penetrated broad strata not thought of before. The cultural classification of people, equivalent to a classification based on property, and cultural monopoly ended. And not least of all this contributed to collapsing the caste-like class divisions and creating a relatively homogeneous Hungarian society advancing toward actual equality."

Today, however, this principle—still valid in my opinion—and reality are increasingly opposed to one another; within a short time the increasing prices and the tipping of the ratios of supply—the oft-mentioned commercialization—could create a situation in which the achievements won with the efforts of decades could be seriously endangered. So it is an urgent obligation for us to think through, from this viewpoint also, the chief causes leading to the development of the current conditions—most unstable—in the book trade, to think through the conditions and possibilities.

In large measure the newly appearing processes determining the functioning of the book trade today can be derived from the radical changes in the relationship of culture and the economy. In an apparently paradoxical manner both the favorable and the frighteningly unfavorable trends can be so derived. Production costs have risen recently year by year—and often to a drastic degree. (A bill from the printer often puts a publisher's operations in a very difficult situation.) Paper prices and the sums turned to overhead continually increased while the real value of the state subsidy to the book trade did not change substantially and so could not at all compensate the higher burdens. So far only a single area could really avoid the greater difficulties, an area which may be the most important from the societal viewpoint—text-book publishing which, thanks to an understandably high state subsidy, was not forced to change its traditionally low price level. It is also a fact that up to now a significant part of most works of contemporary Hungarian literature, children's books and basic knowledge propagation publications have received higher than average support and so could preserve their relatively low prices, which in this case means no more than that the prices in these areas rose less.

Because of the narrowing of possibilities for state financing and the increase in costs book publishing was forced—if it wanted to stay on its feet—to go into directly profit-making undertakings, those which would bring greater economic profit as quickly as possible. This need began to appear years ago, but its fulfillment today is becoming a vital interest.

It follows that today the publishers and distributors must survey reader demand much more precisely than before. They must determine how marketable which works or type of publication are. We can all well remember that one of the first signs of a more attentive adjustment to changing demand was the competition of the most varied cookbooks; virtually every publisher came out with some collection of recipes. Since then all of them are trying with ever greater intensity to find a type of work which can be sold profitably, keeping abreast of current customer desires. Magveto [Hungarian publishing house], for example, created—as an outstanding idea—the RAKETA fiction magazine, is constantly coming out with crime stories in the ALBATROSZ series and its REJTO [Undercover] volumes are purchased in continually high numbers—and at a most steep price. Szepirodalmi [the "Belles-Lettres" publishing house] experimented with a revival of literary reading material so successful between the two world wars, publishing one after another the forgotten works of Kalman Csatho, Ferenc Herczeg or Miklos Suranyi. Medicina selected from the best of soft pornographic literature considered classics (the Kama Sutra, the Perfumed Garden, the Anangaranga), and we could continue this with similar undertakings by the other publishers. These initiatives, primarily profit oriented, contributed—and to an ever larger degree—to permitting the publishers to satisfy their basic obligations right up to today. They could

come out with valuable works, truly of general interest, some of which would have remained in manuscript or would have reached the bookstores substantially more expensive than at present without the greater or lesser profit deriving from the profitable publications.

So on the one hand this forced situation broadened variety—with useful, valuable works as well—but on the other hand it started a commercialization process which has an increasing tempo. The number and number of copies of crime stories and various types of reading material have increased continuously in recent years. Primarily because—in harmony with the above—the demand for such works continues to be great. But in my opinion one should not draw from this the one-sided conclusion that the readers' lever of cultural taste has plunged recently. It is probable that even earlier there was mass demand for works of entertainment but the book trade—with an offering kept at an artificially high level, with a sort of aristocratism—did not satisfy (or very slightly satisfied) this lively demand, while the price of the few former bestsellers rose to sometimes astronomical sums on the black market. So it appears that the present conditions reflect somewhat more faithfully the real tendencies of reader interest, and show the tasks more realistically, too. But this is only one side of the matter, no more than a sort of half-truth. Because it is obvious that supply is also capable of forming demand.

Naturally there is an indisputable need for works of entertainment. In one of his books Istvan Szerdahelyi—analyzing the relationship of entertainment art and the autonomous art with esthetic validity and cathartic effect—comes to a conclusion which is convincing to me, too. The former "is just as indispensable and irreplaceable a source of value for the everyday life of people as the latter, and consequently of equal rank with it. 'The Brothers Karamazov' can no more take the place of 'The Ten Little Indians' than vice versa, and the two together cannot take the place of a slice of bread or a glass of water." At the same time the esthetician immediately adds: "One cannot ignore the ratio question here; in the case of the entertainment arts there can be a real danger that certain strata of society will be inclined to satisfy all their intellectual-esthetic needs with such productions and give up the enjoyment of autonomous works requiring greater intellectual effort." The question of ratios is really the determining one from the viewpoint of both supply and demand. In this area also there is a quantity—true, it cannot be shown with mathematical methods—which if we go beyond it then sooner or later qualitative changes ensue—and contraselection, a lack of taste which levels downward, will soon rule the book market. And for the time being there is no guarantee that this loss of standards may not take place.

So far, certainly, the professional state publishing houses have brought out the best of the entertainment literature, for the most part the peak productions of this genre, and they have consistently rejected the trash productions. Not so those who see a "gold mine" in book publishing—

independent of any cultural mission—and who are flooding us—sometimes in incredibly high number of copies—with potboilers, scandal stories sold at a high price and the lowest types of crime stories and reading material. In addition a large part of the income made here cannot flow back into book publishing, into the mechanism which supports values. So from the cultural viewpoint this is an unambiguously negative phenomenon.

It follows that there is in Hungary today "pollution of the cultural environment" the dangers and harmful consequences of which can only—so it appears—increase in the future. These serious threats and challenges strikingly show that however dubious the earlier view was, rigidly denying the commodity character of cultural products, it is equally insupportable to think that the unrestricted realization of market relationships should not be ruled out in this sphere. Because a mechanism of supply and demand which follows only economic laws will, for example, necessarily create an ever sharper division between so-called "mass culture" and "high culture." We can already see the signs of this duality here; ever more frequently the demand for indisputably valuable works comes to only a few thousand as compared to commercial works, sometimes outright trash, which find customers for a hundred thousand copies. And one can find among the creations with esthetic value that some of the creators—as a defiant counter-reaction to commercialization—speak even in advance only to the tiny number of initiates....

Culture, the world of the arts, has required support ever since it has existed. Because so far the meeting of value and success could not become a necessity. Because we have an elemental interest in seeing that significant creations find a reception in ever broader circles. So he who feels that the works of a Dante or Tolstoy, Petofi or Laszlo Nemeth should be subordinated without restriction to the operation of market mechanisms, to the vagaries of momentary supply and demand, probably has understood very little of the laws whereby cultural values are created. And since we have not yet developed here social forms for the patronage of the arts there is a burning need for a state subsidy, one of real size and, of course, one really turned to support the many versions of values.

I know that there are those who think that in the present serious economic situation culture—as a sort of luxury—is still something which can be "saved on" relatively easily and without risk. Such arguments are not of recent origin; on the contrary, they have a great tradition among us. Of course the fact that they can be disputed—indeed, should be disputed—does not mean that the institutions of the book trade might not be operated more economically and rationally than at present. But a further reduction in the value of the subsidy, or perhaps withdrawing it, would certainly not have an effect in this direction; it would endanger the carrying out of basic functions in many areas and open a broad field for contraselection.

Now, at the end of 1987, it is still difficult to calculate what the near future will bring. How will the new tax system affect book trade, which so far has been increasing evenly (although today largely thanks to the increase in prices and the marketability of commercial works)? How will customer habits change and how will the economic situation of publishers and distributors develop? One can only guess. At present it is still undecided: How great will the subsidy for book publishing be? And will there be any subsidy at all? What sort of dilemmas will be faced by those shops and enterprises which so far—despite all difficulties—have helped bring so many values to a public deserving them?

Amidst so many uncertainties and seeing this defencelessness I could not read without violent emotion a statement by Marton Tarnoc, director of the Szepirodalmi Publishers, which appeared in the 7 November 1987 issue of *MAGYAR HIRLAP*: "It is not easy to talk about the future. There is so much uncertainty that it is virtually impossible to say anything valid at this point. We cannot even say if Hungarian book publishing and our publishing house will get any subsidy at all. It is well known that up to now we have had a subsidy and I very much hope that it will be so in the future too. I emphasize this so much because with its own profile Szepirodalmi Publishers cannot produce enough profit to maintain itself or be able to perform its basic task even by publishing a certain amount of good reading. This basic task means the cultivation of Hungarian classical traditions, caring for living Hungarian literature and publishing the works of Hungarian authors living outside our borders. But what will happen if we do not get a subsidy—you ask. Let us add that you are not the first to ask this question. Now I can only say that even then there will be a publishing house! How? Out of necessity we will reduce the number of works, and out of a greater necessity the reduced number of works will include a larger proportion of works which do not merit the name creation in the classical sense of the word in every case." In plain language, we cannot rule out the possibility that in the future the ratio of more commercial works and works valuable from the esthetic-intellectual viewpoint may be much less favorable than even today. That purely entertaining works may appear in place of many quality creations—according to a plan reduced in advance. Even as a possibility this is sufficiently alarming. Because as a whole it suggests that today there is no guarantee that this publishing house, one with one of the grandest traditions, one with a very important profile from the cultural policy viewpoint, will be able to carry out its original mission with honor. And other enterprises may get into a similar situation. So there is a real threat that by temporarily saving a few million forints we will risk one of our strategic goals and ideals. Is it worth it?

As I see it we are approaching a point at which the vital conditions for a real book culture could slip into danger. And at which—of course—the credit of a good number of the principles of cultural policy may be questioned as well. I am convinced that there is a need—perhaps more

than ever—for a more effective, better thought out realization of cultural interests, for a more offensive handling of strategic interests, for a program which rationally harmonizes the requirements of the reforms (and the economic constraints which unfortunately often accompany them) and the millenium-old unique features of culture. I am also convinced that the ramifying negative tendencies can still be held back and checked—with the coordinated action of all involved.

8984

POLAND

Reform Process Incapacitated by Existing Management System

26000048a Poznan *GAZETA POZNANSKA* in Polish
25 Sep 87 p 7

[Editorial by Marek Danski: "The Second Stage and Management? Still-Foggy Horizon"]

[Text] In our struggles with reform, there is a certain problem, indeed one of the most important problems, which is seldom discussed and even then just in general terms. This problem is management, management of the economy and its style, principles and results...

I am fully aware that I am only touching the tip of the iceberg but there are so many aspects of this problem that it is hard to pick which one to discuss. One thing is certain and that is that we need a model for management that can inject life into the country's economy and stimulate efficient production and work. The other certain thing is that we do not have such a system at any level of management.

Let us start with typical problems found at the highest level of economic management. It is strange that for some time now, everyone has been in total agreement on the subject but nothing much has happened.

First, let us look at the ministry-and-branch system which has successfully obscured all competence and responsibility. The economy of every country is an integral, complicated and closely-bound whole that must also be dealt with as a whole. However, our ministries have long caused an artificial division of this whole in which each sector takes care of its own problems without much thought about the others. Such a model runs entirely against the basic principles of reform and its declarations of independence and self-management. To everyone's detriment, this system continues to foster bureaucratic centralism and diverse particularism.

For some time now, we have known a sensible prescription that was a part of the well-known policy advocated in May of this year by the Polish Economics Society [PTE] and that is the creation of a single ministry of

industry which would chiefly be involved with structural and strategic problems and would leave all the rest to regulations and objective economic laws.

I recall that the PTE made similar charges in its report to the Planning Commission and the Finance Ministry. PTE experts stated that the state should in its own interests give up the function of a collective director of the economy in favor of sovereign and indirect guidance using economic tools. The Planning Commission should create a competent staff and analysts and advisors without any executive powers while the Finance Ministry should, on a macro-economic scale, act as the executor of those economic tools. There is no other sensible way to proceed but it seems that we are reluctant to accept this solution.

Not only are we reluctant but we are actually opposed to this. I will admit that with a great sense of disappointment, I searched among the themes for the second stage of reform for some proposals that might disentangle these issues but the subject of management received what was barely marginal treatment. Three points were dedicated chiefly to the brigade system.

In this group of problems, I personally cannot in any way understand several things such as the real mania for consultation. We consult over everything from pricing proposals and the Central Annual Plan's premises to variants for complicated and difficult government decisions. This is called socialization of decisionmaking procedures but at the same time, what decisionmaking needs is expert knowledge rather than public moods or impressions! A well-known economist, Doctor Jozef Kaleta, recently said: "...we cannot wait to give the public an economic education, for a change in its psychology or for the public to warm up to reform in some distant future...It is alarming that in Poland, we are asking the man on the street his opinion about the management system, the functioning of the economy and about other really complicated issues...That is much like asking them what they think of cancer treatment methods and then basing medical decisions on what they say." I also cannot understand why we are dragging our feet on resolving a problem as important to the national economy as the issue of property (communal, cooperative and organizational property). Were this issue to be settled, it would greatly simplify the management process by specifying areas of competence and responsibility.

Let us now go down to the famous middle level which is not supposed to have existed for some time now but is actually burgeoning. I think that we can find most of the chief obstructions to reform right here because this is unfortunately the area that is most influential and the one most threatened by healthy reform.

This middle level is causing reform's decomposition by its fight to hold on to its considerable comforts while limiting its responsibilities.

These are not empty charges. Let us look at what is happening. Let us look at the guild in mining, voivodeship boards, ever-poorer construction work; let us look at diverse associations such as "Polsrebro" which brutally pacified its best enterprise when it no longer felt like financing its decrepit organization.

Therefore, who wins here? Reform and common sense or the particularism of influential officials? It is a shame but I have never found an answer to that.

Continuing downward, we finally reach the basic level of management, the enterprise. Things are quite sad here.

Several years ago when we first conceived of reform, the main road to a new system was laid out by two laws: the law on state-owned enterprises and the law on worker self-management. As the legal experts on these questions tell us, these laws were good ones in spite of the fact that they were written in haste and under the pressure of hard times. The law has created certain bounds for action; it states what is allowed and what is not and provides basic structures and legal canons, etc. while the laws of economics were supposed to fill the gaps in between these bounds.

Unfortunately, however, we did not have the determination and the ministry-branch model and the middle levels again took over. Instead of selecting the most important goals and seeing them through, we set far too many goals, both correct and unrealistic. There were some changes, some cosmetic innovations, hundreds of executive regulations contradicting reform and continual changes of the rules such as, to say the least, the FAZ [Professional Activation Fund] concepts that disrupted the labor market. The ministerial law is in full bloom again and I admit that, being professionally involved with management and reform, I too have already lost my orientation.

All of the above has also led to problems of a practical nature. There continue to erupt conflicts over the interpretation of this thicket of regulations between adherents to the rigid line who are chiefly guarding their own position and those impassioned with the notion of success in spite of everything and who can also prove it possible. After all, that is just what was done by Chairman Bednarczyk of "Laura" who did indeed create a model that could get people going on a large scale but who nonetheless lost. The same is also recently true of "Agrotechnika" which is neither a Polonia firm nor a private enterprise but an organization of the Rural Youth Union. Accepting the spirit and intentions of reform, constructively interpreting regulations and using the healthy principle of massive turnover and enormous earnings with slight profits (10-15 percent), this enterprise made the jump from eggs to repair of electrical power plant boilers to computers. This was done with such success that in little over a year, the prices for such heavily-demanded equipment fell by half! However, this intruded into the realm of bureaucrats and Agrotechnika

now has the Treasury on its back and maybe only the finance minister now knows where it will end. Rumor of such examples spreads fast far and wide and scares anyone else out of trying.

Of course, this sullen image is not a totally true one. There are also many positive sides of the problem, one of them being that we can talk openly about the problem. However, there is no point in spending too much time thinking about the good things other than to enjoy and take advantage of them and see that they continue.

We are looking for forces that can give a lift to the economy and for methods of freeing activity and producing a great jump forward in our work efficiency. We have to patch up the inflationary overhang, the technological gap and many other things but we cannot accomplish anything without filling the management gap. This is an enormously important matter and a very difficult one but we act as if that were something inconsequential that will take care of itself. But that will never happen.

12261

Society's Resolve To Undertake Radical Reforms Doubted

26000048b Warsaw ZYCIE WARSZAWY in Polish
13 Oct 87 p 3

[Unauthorized speech at the 5th PZPR Central Committee Plenum by Zdzislaw Cackowski, Central Committee member and rector of Maria Curie-Sklodowska University in Lublin: "We Have To Take That Risk"]

[Text] We are supposed to take part in resolving a complicated set of problems of great importance to the nation. I would like to participate in these decisions and contribute my own modest responsibility. Responsibility and also great risk.

It is much harder for me to speak here in this hall than when I participated in the Consultative Council. Here, I have a sense of my own part of the responsibility. I am ready to participate but not because I can understand all elements of the presented program.

My attitude is such for the following reasons. The premier said that in the last 6 months, the needed price increase rose from 60 percent to 100 percent. I also know that in the year that has passed since the last party congress, inflation has gone up more than 10 points. These are synthetic figures, which in spite of all the time elapsed since our situation of 5-6 years ago, cannot go on in this manner. We have to make some courageous decisions. That is one negative reason.

I have still others. I understand the goals of reform and accept them and I am not alone because just about everyone feels the same as I do. The main goals are efficiency which is necessary, democracy, also necessary not as a gesture to the public but as a real need of

socialism and modification of the center's functions in order to restrict its influence and to strengthen efficiency, and that too is necessary. These goals and their general means I understand. I believe in them and I suspect that others too believe but we must take courageous steps.

Aside from that, there is an enormous area, about which I am not competent to talk about. Here I am taking a risk. There are certain means (which I will describe later) that we must use to limit this risk. I did not say eliminate the risk but limit it.

When the premier said that the efficiency of the actions that we are starting to formulate here is the precise implementation of the program, I thought "no!". We cannot do it precisely. Such a complex program cannot be precisely realized. To precisely implement a complex program, we would have to use not economical means that always give mixed results but administrative means. Therefore, I am not counting on precise implementation. I am convinced that we will have to modify our actions along the way.

That is the general justification of my position that I should consciously and publicly take part in these decisions and take the risk upon myself.

I will speak in more detail about three issues.

People are obviously calling out for radical and consistent reform. Those same words were also used here. However, radical and consistent reform has many sub-contexts of its own and not everyone, myself included, know all of them. People want radical improvement of the economic situation. That is clear enough. But radical improvement of the economic situation also requires certain radical means and has a radical cost or it cannot be achieved. There are no miracles.

These radical means can include, for example, radical repudiations but one may then ask for how long. After a short-lived radical repudiation of something like price regulations, will we return to the old practice? Here too we can also ask if people want radical means.

Second, radical means can be a radical increase in the efforts of the people. This means all of us.

And third, the radical means that could make itself felt everywhere could be radical streamlining of the methods and forms of organizational action. All of us are counting on that. We would like a fast and radical improvement of the economy. We would above all like to activate that third mechanism and that is our dream. The second factor, that is, the radical increase of effort, should not be viewed with too much hope. In that particular regard, we would want to minimize or at least postpone repudiations and radicalism.

Perhaps I cannot explain all elements of these costs but I am trying to be aware of them and to understand just what we mean by radical.

In the last two months, I have had very interesting personal and social experiences which made me aware that all people or at least a majority are for reform and for basing wages on one's work. Almost everyone is for that, at least, everyone that shows up at meetings. To use the propaganda term, everyone is "for". However, when we leave meetings and say "let's take up our pencils and figure out who gives what", then the almost universal voice of the most primitive socialist idea emerges once again, namely, the same for everyone and from each what he deigns to give.

That is my commentary on the first issue, the issue of radicalism and reform.

The second issue is efficient management. That is a fundamental catchword.

Generally speaking, we have three economic sectors. There is the rural economy, the private sector, which, as we have formulated and I also concur, is a lasting part of the socialist economy. In spite of many difficult problems, this is a rather efficient sector of our economy. I think that the last 5 good years for agriculture have been a very important part of our successful growth.

The second economic sector is private industry, services and business, all of which have given rise to various opinions and criticism. But again, without considering the distortions that we should somehow control and limit, this will continue to be an important part of Poland's socialist economy. I think that there is no need to explain what the effects would be if under another type of economic policy we were soon unable to find ourselves a tailor or seamstress.

Finally, there is the chief sector of our economy, the socialized, state-owned and cooperative economy which has all the attributes of a socialist economy. If this sector is to function well, then what I said about the private sector as a lasting component of our economy will be justified.

An economy can have all, and I mean all, of the attributes of a socialist structure but if it is not efficient, it cannot be socialist. And that is, in my opinion, the chief problem. I do not think that the most important problem, also important in the cognitive sense, is whether socialism can be reformed. I am talking about present-day socialism in Poland. Since 1956, we have gained enough experience to see that it can be reformed. Now we face much more dramatic questions, such as the problem of making socialism efficient and making it efficient enough to allow it to compete with other sectors of the economy.

That is the chief problem. It is not a question of whether we displace private business by half a percentage point. In my opinion, the risk and great reform actions that we undertake will prove themselves in this area.

Of course, I understand and accept the basic slogans of reform such as independence, self-management, initiative and responsibility. But at the same time, I would add that we must make sure that the differences in responsibility, initiative and decentralization not lead to what I would call the parcelation of Poland. We cannot lose the minimum integration necessary to the growth of the country.

The problem of democratization is something to be looked at from two sides. If we accept the direction for reform that has been proposed here, then the automatic consequence will be greater democracy. But on the other hand, this is also a social need because democracy denotes greater popular participation and shared responsibility. In the guidance of such a great social organism as our country, it cannot have effective growth as long as the responsibility is limited to just a few thousand people.

I do not think I need to remind anyone of the great emptiness caused in the individual's life by the order and allotment system. Long-term social action on orders from above ruins the human psyche and individuality and lays waste to courage. That has very far-reaching effects.

The issue is not one of whether or not to share power but of how to get people involved. The basic condition for sharing responsibility is participation. A person who does not participate does not share the responsibility. Participation alone is not enough but it is indispensable.

And now the final issue which I will only briefly discuss. I cannot assess the value of a central reform. I agree that it should be a reorganization of the functions of the center and to a certain extent a limitation of its authority enough to give more room for free grass-roots action.

However, there is no such thing as independent factors. Reality is made up of many things. A structure, legal decision or formal decision can be better or worse but it is only a diversity of factors and people that can provide efficiency. For that reason, I place so much importance on results although I know that we are taking a great risk. However, we can strongly limit the risk if competent people and people with good social credentials are promoted. That is very important.

Legal Ramifications of Economic Reform Explored
26000133f Warsaw *RZECZPOSPOLITA* in Polish
28-29 Nov 87 pp 1,2

[Interview with Adam Zielinski, chairman of the Supreme Administrative Court, by Tomasz Arletd: "What Law in Times of Change?"]

[Text] The public has taken great interest in one of the guidelines for the second stage of economic reform and that is the principle that "whatever is not forbidden is permitted". Does this mean a change in the way we think of the functioning of law? Once this principle is applied, will it mean that our law will be more coherent and, more importantly, more understandable? Will the practice of economic life overcome the formal and legal habits that continue to restrain it? These are a few of the questions that we asked Docent Adam Zielinski, chairman of the Supreme Administrative Court [NSA].

[Answer] Our legal system's adoption of that principle should lead to some very important changes in the ways the law is applied. Up to now, economic practice has always paid tribute to the concept that one can only do what the law explicitly says can be done. Premier Z. Messner's statement that we should do the opposite has led to the formulation of a clear-cut "philosophy" for the second stage of reform. This philosophy encourages independence, initiative, flexibility and, therefore, the traits without which any sort of economic progress would not be possible.

If we broaden the concept that everything the law does not expressly forbid is permissible, then we must stress that the only things that should be forbidden by law are those that really hurt the public interest or require the legal protection of the interests of others.

[Question] The themes for the second stage of reform have given the law many difficult tasks. They name certain laws that will have to be changed or updated and stress the need to clean up and verify legal regulations. The themes also include some critical remarks. For example, they state that reform has become "over-legalized", that even specialists are confused by the excess of legal norms and that the regulations do not encourage enterprise and initiative as much as they hinder it.

[Answer] This is true and above all true in the case of various types of executive regulations such as resolutions, decrees and orders. In general, our legal regulations are not too bad. At the recently-concluded 12th Congress of the Polish Lawyer's Association, much was said about what has inflated our laws. It is not only the lawyers that are responsible. Many people still believe in the myth that the law can help solve every social problem. In the end, it is easier to issue a new law than to risk doing something practical. I myself am even under the

impression that people want to blame all of our economic failures on the excess of regulations but nothing could be further from the truth.

[Question] One lasting feature of our economy may be its three sectors. There have already been scores of public statements assuring us that the three sectors of the Polish economy will, thanks to reform, enjoy equal chances for growth. However, this is a concept that must find real support in finance policy, in the provision of production means and in the freedom to make fair and equal economic agreements. Are you optimistic that this can be done?

[Answer] The Supreme Administrative Court which already has some 7 years of experience has always tried to follow the principle of equality for all economic entities. However, it can be said that this principle is not and has not always been fulfilled. Everyone is "equal" but there continue to be those who are "more equal than others". We are trying to eliminate that.

I would like to make one point perfectly clear. It is the very nature of our social and economic system for the socialized sector of the economy to play the key role and to continue to play such a role in the future. However, the socialized sector is entitled to that role by the quality of its work and the way it functions rather than by official privileges that cover up its mistakes and shortcomings. Competition and healthy rivalry between economic entities is another important element of the "philosophy" of the second stage of reform.

[Question] Discussion of reform has led to postulates that in place of economic arbitration, there would be economic courts, to which all parties including state enterprises, cooperatives and citizens involved in private business could appeal their rights on an equal footing. What are the arguments for and against economic jurisdiction of this sort?

[Answer] Our court experiences so far confirm the need to have independent courts resolve economic disputes. We need courts answerable only to the law and which can treat all sides as fairly as possible and allow everyone the full right to defend their interests. They are an important factor in strengthening legality in our country. And the main argument against independent economic courts? I think the only one would be that the arbitration system has already been in existence for years, that it is experienced in these matters and that all organizational changes are costly to implement. Personally, I think that any such economic courts would have to function as special courts making use of the facilities and experience of the arbitration system.

[Question] As more market elements are introduced into the economy, and economic competition and initiative increase, there will emerge various business corporations, some involving foreign capital, and stock will be issued.

These are financial [legal] institutions that are unfamiliar to our economic practice.

[Answer] A well-known West German lawyer, Hans Doelle, once compared the concept of a legal entity such as a corporation to the great geographical discoveries. He consciously exaggerated, of course. However, this comparison does present a valuable idea. After all, a good and useful legal institution can not only do much to make life and action easier but it also increases opportunities to achieve goals. Various types of corporations present a really good opportunity to unite the material resources of different companies to undertake very costly enterprises. Stock is a very good means of streamlining the credit system. Credit cards continue to be practically unknown in Poland but they are an excellent way to prevent theft and loss of money and give banks another means of using the funds with which they are entrusted. Although all of these "novelties" have yet to be given a chance in our economy, I think that there is no shortage of legal personnel in Poland that knows how they work. Fortunately, our universities have never stopped programs that teach the problems of these forms of finance.

[Question] And what new tasks will the Supreme Administrative Court face during the second stage of economic reform?

[Answer] The court determines whether government decisions follow the law and examines the legality of economic decisions. I think that in the near future, the role of the courts in certain areas will diminish while it grows in others. If, for example, we stop granting business concessions while such concessions are awarded by decision of the government, then the NSA will stop receiving complaints about such decisions. Very good! If, at the same time, we start making wider use of taxation to control the economy as the second reform stage stipulates, then the NSA will have a greater role in seeing that tax decisions are fair and legal and I think that will be in all ways a positive development.

12261

URSUS Workers Call Supplemental Wage Too Little

26000200 Warsaw TRYBUNA LUDU in Polish
5 Feb 88 p 3

[Article by Krzysztof Stanislawiak: "To Start With, the Same for Everyone" under the rubric "TRYBUNA LUDU Reporter in the Factory"]

[Text] There was no surprise. As early as 29 January the factory PA system broadcast the communique signed by the director general of URSUS, Wojciech Ziolek. The

communique stated that in 1988 plans call for wages to increase by at least 36 percent, including a 6,000 zloty [monthly] supplementary allowance over 1987.

It was also announced that everyone would, as required, receive the 6,000 zloty and the payment would be made no later than 12 February 1988. It was also agreed to pay out advances on future profit sharing bonuses even before the accounts have been balanced, that is, in March, after having consulted with the trade union and the workers' council. The next communique of 2 February stated that the workers of the URSUS Machinery Plants would be able to collect their 6,000 zloty from the cashier as early as 5 February.

The chief of URSUS's Hiring and Payroll Service, Andrzej Lubecki, states: "The deadline will definitely be met. Everyone will receive the same. We treat this 6,000 zloty sum as an offsetting supplement to the basic wage, and, at the same time, as an integral part of the overall compensation package.

"During the course of the year, however, there will be some big differentiations in levels of pay. Labor productivity and quality will be the key factors on this score. In some cases this increase may reach several tens of thousands of zloty. We will begin putting this system into effect, after consultations with the unionists, as early as this month [February]." Lubecki continues, "For example, we want the largest wage raised to go to toolmakers, specialty overhaul service units, and professional engineering and technical staff. In other words, to those groups which play a critical role in the process of growth, maintaining machinery and equipment in good working order, and production rationalization and technological progress.

"We intend to bring about the planned 36 percent wage increase through increased production and labor productivity and also through a reduction in material costs. For example, cutting inventories, eliminating losses due to waste, raising the quality and thereby limiting expenses on guaranteed repairs. These explanations were also given on Monday, 1 February, to the foundry workers, who maintained that 6,000 zloty was too little.

The centralized system of allocating extra for payroll funds that is now being introduced requires us to maximize earnings while minimizing costs. The internal administration machinery at URSUS is unsuited to complying with the requirements of this system.

So, today in URSUS everyone, from the director all the way down to the blue-collar level, will collect 6,000 zloty from the till. And as for who [will earn] and how much will be earned supplementally will be decided by the workers themselves. Pay will be a function of job performance.

CZECHOSLOVAKIA

Improving Trade With West Germany Discussed

24000058a Prague NOVE SLOVO in Czech
21 Jan 88 p 11

[Interview by Peter Nemec with the chief of the economic section of the CSSR Embassy to the FRG, Jaroslav Pinkava, about our trade with the FRG; date of interview not given]

[Text] [Question] The Federal Republic of Germany holds first place among our foreign trade activities with industrialized capitalist states. For the Federal Republic of Germany, Czechoslovakia is in fourth place as a partner in trade with the socialist community. Has there been any change during the past year?

[Answer] We do not have the exact numbers for 1987 as yet. But West Germany is truly our most important trade partner among the industrialized capitalist countries; 29-30 percent of trade with that sphere is with West Germany. A certain shift occurred last year. Because of a decline in prices or demand for some products, mostly of the petrochemical, power, and steel industries, the rate of our export slowed somewhat, and on the contrary, imports increased by 15-20 percent compared with 1986. We imported mainly machinery and equipment for our industries; the share of machinery in our imports was 52 percent. This was in accord with the needs of modernizing our industries and plans for capital investment. In practice this means that we are registering a smaller passive balance. On the whole it can be said that despite the unfavorable impact of prices and demand, we achieved approximately the same results as in 1986; and that is not bad under existing conditions. We succeeded in finding some new commodities for our export and the export of some commodities was further expanded, particularly that of consumer goods. However, we cannot be satisfied with the structure of our exports, particularly of machine tool commodities.

[Question] Czechoslovakia is an industrialized country with an extensive production of machinery. At the same time, the share of machinery in our exports to West Germany is only around 10 percent. Why is that?

[Answer] First of all, we have to realize that West Germany is among the largest producers of state-of-the-art machinery even as measured by world standards. On such a market only top quality products with flawless service can succeed. And not only that. Deliveries have to be made promptly, and we must not underestimate the design of the machinery either, not to mention the computerized control units. We believe that there is a possibility to increase the export of our machinery to FRG. And not only of machine tools, which have a good reputation; possibilities also exist in the area of textile machinery which today is not up to the top world standards. That we know how to manufacture a good product is evidenced, for example, by the great interest

in our drafting machinery. To put it briefly, our partners expect from us not only good quality, state-of-the-art products but also faultless service, speed, and flexibility. These are tasks which must be addressed by our industry. When we satisfy these requirements, we will not only increase the share of machinery in our export, which is in the interest of our economy, but we will get better prices as well.

[Question] A number of our Foreign Trade Enterprise affiliates are active in West Germany. Is this method effective in contacts with customers?

[Answer] Certainly. About 25 of our affiliates are working in West Germany, and it must be said that most of them do truly good work, even better than in some other territories. Finally, the share of exports to West Germany realized through the intermediary of the affiliates today represents already 40 percent. That in itself is proof that this method is successful.

[Question] There is much interest in West Germany in establishing the so-called joint ventures. At least, they are much talked and written about. How do you rate the prospects for such enterprises?

[Answer] You are right. In West Germany, this matter is being actively pursued. However, we have to be aware that some of our partners there have a very narrow view of it. Often they are only looking for work for wages and not for real joint enterprise. We cannot obviously agree to that. But several such projects already exist. This matter was discussed also by the Joint Economic Commission during its meeting in September last year in Prague. Our partners are also holding back for the time being because despite the issued legal norm, the law on joint ventures in CSSR is still only in the drafting stage. Joint ventures have prospects only on the condition that they will lead to an enterprise beneficial to both partners and bring in products of advanced technological standards.

[Question] Did you note some progress in the cooperation between enterprises in both countries?

[Answer] Cooperation is becoming ever more important, and not only in the general sense as a desired object, but already also in concrete results. Last year we concluded 19 additional agreements on cooperation and today we have 81. These are contracts in various areas—from cooperation in the area of agricultural machinery, to food processing, machine tools as well as manufacture of consumer goods.

[Question] Is it not the case, however, that our enterprises deliver quantity and our West German partners quality?

[Answer] Sometimes it may appear that way, but that is not the goal of cooperation. Our goal is to manufacture products of higher technological standards, and in most

cases we are succeeding. But we must not forget cooperation on the third markets. During the past 3 years we realized, together with our West German partners, DM 5 billion in third markets.

[Question] In October last year, an agreement was signed in Bonn between the CSSR and West German Governments on environmental protection. Has this been reflected in some ways also in trade?

[Answer] Some projects have already reached the stage of being worked out. Last year, a delegation from the federal state North Rhine-Westphalia visited Czechoslovakia and, in return, a delegation of the CSR Government held discussions here in West Germany. The talks concerned specific agreements. In any case, a number of West German firms showed interest. As is known, in Czechoslovakia we give the problems of environmental protection intense attention, and we wish to invest in ecology.

[Question] Are there any restrictive measures on the part of West Germany?

[Answer] Some trade-political restrictions persist, but that concerns not only West Germany but the entire EEC. Some of our export commodities, specifically about 40 items, are subject to import quotas. Those are mainly textiles, glass, steel products, leather goods, etc. This is a subject of discussion at every meeting of the Joint Economic Commission, and we shall discuss it again this year. Other than that, this problem is discussed also at the level of the CSSR Ministry of Foreign Trade directly with the EEC Commission in Brussels. It is no secret that Czechoslovakia is interested in concluding a direct trade agreement with EEC.

[Question] Let us go back to the basic question: Is there an interest in West Germany in expanding trade cooperation with Czechoslovakia?

[Answer] The interest is extraordinary. One proof of that is the fact that about 600 West German firms took part in the machinery trade fair in Brno last year. That is proof not only of interest but also of the hope on the part of our partners that trade contacts will increase. But our trading partners do not restrict themselves only to trade fairs. They organize specialized events here, such as seminars or Economy Days in which the chambers of commerce and industry of federal states or towns take part. This year, for example, Bavaria wants to arrange Economy Days in CSSR in cooperation with the Munich Chamber of Commerce. The Federal State of Bavaria indeed has something to offer, since it has top level enterprises operating on its territory. We organize similar events in West Germany. So there is interest in expanding trade, and on both sides. However, this should not mean—as is sometimes the popular notion in West Germany—a one-way street. We are interested in increasing our imports from there, but we also wish to export more. Sometimes we have to remind our partners

quite emphatically of that. On the other hand, our imports to West Germany will have a chance only if top quality products with excellent service are involved. We would like to see more such products. In such a difficult and demanding market we cannot succeed with the average; there is no interest in the average here, and if so, than it means low prices.

12605

Next 2 Decades in International Division of Labor Viewed

*24000058d Prague SVET HOSPODARSTVI in Czech
13 Jan 88 p 2*

[Article by Jan Urban: "What Are the Prospects for the Next Two Decades?"]

[Text] An effective development of our external economic relations belongs among the important factors of successful economic growth in Czechoslovakia—a small and thus a necessarily open economy. A basic prerequisite for that is to overcome the legacy left behind by the stage of extensive growth in the structure of Czechoslovak integration into the international division of labor—most of all the orientation toward exports of mass produced, technologically not very demanding products or semi-products on the one hand, and a high share of consumption for production, particularly in heavy industry, of total imports on the other—which is at variance with the structural trends prevailing on world markets as well as on the CEMA market, and which lead to a decline in the competitiveness of Czechoslovak export production in international markets. The requirement to transform CSSR external economic relations into an important element of the strategy to accelerate CSSR economic growth entails the necessity to formulate during the prognostic stage a new concept of CSSR participation in the international division of labor. Its core will be a strengthening of the share in the CSSR trade turnover of sophisticated products even for the most demanding of markets, thus creating room for the relief of Czechoslovak production structures as well as for the increasing integration of the Czechoslovak economy into the progressive world trends of scientific and technological development.

The overwhelming CSSR orientation toward export of heavy industry products, which originated in the fifties and was supported by relatively cheap raw materials and energy of mostly Soviet origin, indisputably contributed at that particular time to a rapid growth of Czechoslovak external economic relations—particularly with socialist countries—as well as to their relatively effective development. In later years, however, it gradually became one of the factors of extensive growth, increasing the share of technologically less demanding products in the structure of the Czechoslovak economy, and leading to a continually growing need of the Czechoslovak economy for imports of raw materials and energy resources. The

demands for imports due to the rapidly growing production consumption of heavy industry in value terms—close to 50 percent of total imports—during that period reduced even more the share going to Czechoslovak imports not only of consumer goods (which during the past 25 years declined roughly by one-half) but also of new generation machinery and equipment, on which the qualitative transformation of the Czechoslovak production as well as export potential depend.

Covering the growing import costs under those circumstances—in contrast to developments in the economically most advanced countries, which reacted to increases in the price of raw materials and fuels by turning to exports of quality production requiring research and characterized by higher prices—was achieved for the most part only by increasing the volume of Czechoslovak export, often accompanied by a lag in the improvement of its quality and innovative dynamics behind world standards. The result was not only a decline of the CSSR share in global exports of high technology production and a weakening of the position of Czechoslovak industrial exports in the CEMA markets (in both cases roughly to one-half of the share registered in the first half of the sixties), but also a decline of the purchasing power of Czechoslovak export assets which was reflected in an unfavorable development of exchange rates vis-a-vis both basic trading territories.

The seriousness of these developments comes to the fore even more strikingly against the background of rapid changes in the CSSR domestic economic environment. From the point of view of the world economy, there is, on the one hand, above all an unprecedented increase in the intensity of innovative processes in a broad spectrum of high technology as well as traditional products, leading to a rapid decline of the material, raw material, and energy intensiveness of production and to growing demands for quality and innovativeness, and, on the other hand, there is the increase in competitive pressures from newly industrialized countries (NIC) in global trade, not only in the area of standard production but also in the sphere of technologically more demanding mass produced types of goods. These trends together with the rapid changes in the structure of global demand in favor of high technology products were reflected in systematic differences in the dynamics of trade turnovers, prices, and profitability of exports of various technological levels. While the demand for less perfect mass produced goods is growing at a substantially slower rate than in the past (while at the same time it is satisfied in the economically advanced countries at a growing rate by imports from NIC), and in the case of products with yesterday's technology marketing opportunities are quickly disappearing, the fastest rate of growth in exports is in manufacturing equipment and services, which require the introduction of advanced technologies and development of new fields. Similarly, during the past several years we could observe in the international trade in consumer goods a shift in demand in favor of

high quality products with high esthetic parameters, as well as a shortening of the innovation cycle and a growing importance of the individualization of consumption.

However, new trends are also emerging in the import demands of CEMA countries, both in connection with the changeover of these countries to intensive economic growth and with their demanding social programs and growing accent on a qualitative growth in living standards. These trends, resulting in shifts in consumer preferences similar to those in world markets, are fundamentally changing Czechoslovak marketing opportunities in the USSR and other CEMA markets and they bring with them appreciable risks for the continuity of the CSSR export structure in these markets. The Soviet Union in particular insists ever more emphatically that capital as well as consumer goods imported there show standards customary on world markets, and it gives the satisfaction of this demand as a basic condition for further development of trade exchanges with partner countries, particularly where it concerns its deliveries of raw material and energy resources. Products which do not have the parameters of world markets can still be marketed in the smaller member countries, but usually only for counter deliveries of similar quality level. Such deliveries often contribute to an inertia of parameters of the CSSR replacement process qualitatively structured on a short range basis.

Today, the changes in the composition of USSR import needs are already reflected primarily in the shift in the structure of its machine tool imports in favor of equipment making possible the modernization of preferred sectors or the solution of economic problems by using newest technologies, and of instrumentation for vanguard sectors, the infrastructure sphere, and the area of services. Similarly, the focus of the Soviet demand for materials is increasingly shifting to specialized metallurgical and chemical products, which require the application of advanced production methods or the achievement of higher quality of the final product. And last but not least—in connection with the changes in the dynamics and structure of Soviet personal consumption—there is a change in the nature of USSR demand for consumer goods, which is taking on the character of a supplementary source of luxury products for higher income groups and where it is possible to expect, just by the end of the century, a systematic more than doubling of the physical volume of imports of high quality consumer goods.

The success of further development of CSSR external economic relations will thus depend on the ability of Czechoslovak industry to react with flexibility not only to shifts occurring in the structure of import needs of USSR and other CEMA countries, which are of fundamental importance for CSSR, but also to general trends characteristic for the developments in the global economy and international trade. This means, above all, to regain our position as a producer of advanced technology and quality consumer goods, e.i., products requiring a

great deal of skilled work, and to utilize and strengthen certain comparative advantages which CSSR still retains in CEMA markets in this area.

In view of the key importance of CSSR-USSR economic relations, the first order of necessity is a radical structural as well as qualitative change in the substantive content of CSSR exports to USSR, not only in connection with the changes in import needs of the Soviet economy, but also in order to create a high profile for CSSR exports. Such exports should become the foundation for maintaining, or even increasing, the current volume of CSSR imports of Soviet energy resources—without having to accede to an extension of CSSR investment participation in USSR, which is, after all, a result of the decline in the purchasing power of CSSR industrial exports to USSR—as well as for improving qualitative parameters of imported products for processing. This, of course, is contingent on a changeover to a production of globally convertible goods, which will make it possible to supply the Soviet market with products and services which the USSR is thus far able to secure for the most part only by imports from advanced capitalist countries. At the same time, analysis of these imports, and imports from small Western countries, shows that this concerns not only technologically very demanding products, but also quality manufacturing equipment, consumer goods, and services, of which the construction, functional properties, design, reliability, or innovativeness form the basis for the prices they command: those tend to be, even in the case of consumer goods, several times higher than prices which CSSR obtains for deliveries of analogous products.

Similar intellectualization of CSSR export production—for which conditions exist in CSSR in the form of a great industrial tradition and a mature engineering background—naturally presupposes conceptual changes in the priorities of industrial development, in the manner in which research capacities are focused, as well as in the intensity of assimilating new technological solutions which are being applied on a global scale. However, it cannot be achieved, either, without a fundamental intensification of external economic relations with advanced capitalist countries, without a modernization of the CSSR production base using advanced technologies of Western provenance, on which a change of the position of CSSR export in socialist and world markets is contingent.

Maintaining the roughly 15 percent current share of advanced capitalist countries in CSSR foreign trade turnover and the dominant CSSR orientation toward imports from socialist countries—substantially greater than in all other CEMA countries—is thus presently becoming a serious barrier to the desirable changes in the specialized profile of CSSR economy which will need to be presented to USSR and other CEMA countries. These changes dictate not only the need for a stronger integration of CSSR into the division of labor with advanced capitalist economies, but also the necessity to change its forms and mechanisms.

In addition, an increase in CSSR export productivity in relation to advanced capitalist countries is a first priority task not only with respect to the intensification needs of the economy and import needs connected with it (but also, which is of no little importance, as a result of growing demands of USSR and other socialist countries for using precious metals and assembly modules of Western provenance in goods being delivered to them, which increases the import intensiveness of CSSR exports to those countries), but also with respect to the necessity to limit the large share of raw materials and semi-products in the CSSR exports to those countries since it places an enormous energy and ecological burden on the CSSR economy and its territory. However, in question is not primarily an increase of the export of technologically highly demanding products, but the development of a flexible and diversified export offer of quality and skill requiring production and services. A comparison of the very low share of CSSR exports in the total imports of leading advanced capitalist countries with the shares of comparable economies shows—even given a sober assessment of CSSR export prospects—that there is room for a systematic increase of CSSR revenues from exports to advanced capitalist countries.

An important place in this strategy should be assigned to the support (in the form of investments and capital/labor ratio) of a further increase in the export productivity of the consumer industry where export productivity—despite the well-known obsolescence of manufacturing equipment—made relatively the best showing in world markets. Products of the consumer industry not only took on during that period—besides raw and processed materials—the function of one of the main means of payment in relation to the advanced capitalist countries, but also the lag of kilogram prices behind the world level is in this case still substantially smaller than in CSSR exports of more technologically demanding goods. This, of course, depends on a transition to high quality, small scale production supported by the creative inventiveness of the “designer infrastructure”, thus distancing it from the competition of the newly industrialized countries.

A significant source of foreign currency revenues in the future should become—in connection with the development of the service sector—the export of services, which represents a highly effective form of integration of the economy into the international division of labor, all the more so because the share of services in the CSSR external economic relations (as well as the CSSR share in the international trade in services) ranks lower than in comparable developed countries. Thus, for example, an increase in foreign currency revenues from tourist trade from the current roughly 0.7 percent of CSSR GNP to the level of comparable economies (Belgium, Holland, Hungarian Peoples' Republic, Denmark), e.i., to roughly 2 percent of the GNP, would bring more than twice the value of CSSR export of rolled stock to nonsocialist countries. The requirement for such a development, of course, is to give adequate attention to the tourist trade infrastructure. However, a component of the projected

concept is also the most intensive integration of CSSR into the international trade in the progressive area of the so-called information— e.i., cultural, software, design, consulting, R&D, etc.—services, corresponding to the intellectual capacities of CSSR society.

To make CSSR export to developed countries more dynamic requires also a greater integration into the chemical industry, where, however, it will be necessary to gradually modernize the existing export structure—composed to a great extent of petroleum and basic petrochemical products—by a greater representation of more refined product selections and products of advanced chemistry. International trade with new types of materials and chemicals still has room even for new producers with smaller investment potential.

The key element of the strategy for developing CSSR economic relations with advanced capitalist countries is, of course, the effort to re-establish the position which CSSR lost in the demanding markets as a supplier of machinery and which would correspond to the scope of the machine tool sector within the framework of CSSR industry. Of great help in this respect should be a development of modern forms of economic cooperation with leading producers in the world, from sub-deliveries manufactured under licences (CSSR has the lowest level among CEMA countries in this respect) to cooperation and capitalization, i.e., a co-production and consortium type of cooperation. Such forms of international economic cooperation could contribute not only to a rapid adoption of advanced technologies, heightened technological discipline and entrepreneurial inventiveness, but also help to overcome the trade policies and commercial barriers which are impeding the development of CSSR export opportunities in the capitalist markets. They can secure manufacturing equipment, technical documentation, as well as sub-deliveries of cooperating or co-producing partners largely without the expenditure of foreign currency, by means of payments in reciprocal deliveries, realized within the framework of these relations, and thus contribute significantly to an influx of advanced know-how as well as imports of assembly modules, which is a necessary requirement if CSSR is to assume the above mentioned position in relation to USSR and other CEMA countries.

An increase in the competitiveness of CSSR exports in world markets thus presupposes, and is contingent upon, changes in the volume and structure of CSSR exports to advanced capitalist countries. Apart from imports of truly state-of-the-art machinery and technology for modernizing CSSR industry, there is also the question for the future of a systematic increase in the export of consumer goods, which is at present in comparison with comparably developed economies greatly underrepresented: calculated per inhabitant, it is roughly ten to twenty times lower.

The strategy for increasing the CSSR machine tool exports includes also cooperation with developing countries. The projections in this case, however, must take

into account the well-known financial conditions of those countries and the consequent high credit requirements of the export of capital goods to those countries. High credit risk, rapid depreciation of claims, as well as considerable dependence of the export on assembly modules from developed capitalist countries perceivably reduce the net foreign currency revenues from those exports. The prospects for cooperation with developing countries, therefore, appear to lie mainly in ownership participation combined with imports of locally manufactured products, more so because within the framework of the expected restructuring of the CSSR processing industry there should be a restriction or even abolishment of the production of energy and material intensive, mass produced industrial materials and goods. In the developed economies the replacement of such domestic production by imports from developing countries generally represents important means of lessening the burden on their production structures.

The prognostic concept of the development of CSSR external economic relations is thus a reflection of the necessity for a qualitative and structural modernization of CSSR production which will induce changes in both the export and import structure of commodities and territories, transfer of technology, as well as practical and functional openness of CSSR economy. One of its strategic moves will be the utilization of the reservoir of latent comparable advantages which in the smaller developed economies are based primarily on flexible adaptability, creative modification of technological procedures, and a distinct specialized profile, sustained by medium and small scale manufacture of sophisticated products of the machine tool, chemical, and consumer industries. The sketched concept of structural changes in CSSR external economic relation at the same time makes possible and presupposes a transition to a highly demanding environment of a functionally open economy—through a constant confrontation of our production with the developed world with all its positive consequences in the cost and price area even for the domestic market— but at the same time it presupposes profound changes in the economic mechanism, including the mechanism and organizational forms of external economic relations.

12605

New Ways of Intensification Through People Discussed

24000058c Prague HOSPODARSKE NOVINY in Czech
15 Jan 88 pp 1, 7

[Article by Miroslav Zajic, Section Chief, KSC Central Committee]

[Text] The resolution of the 7th Plenum of the KCS Central Committee on the comprehensive restructuring of the economic mechanism emphasizes that in the endeavor to improve and rationalize central control, increase the independence of enterprises, introduce a

regimen of full khozraschet and self-financing, and broaden the opportunities of workers' participation in management, we shall often follow non-traditional paths.

The restructuring of the economic mechanism as a key program of social and economic development of our entire society requires the implementation of a number of striking changes also in the management of the agricultural-food processing complex. We are talking about conceptual change, introduced into and implemented in the entire technological and economic replacement process of agriculture and the food processing industry and new kinds of political and organizational approaches.

The specific implementors of all these changes, essential for the functioning of the new economic mechanism, will be specific people immediately involved in production, thus even the smallest work collectives. It is, therefore, desirable to mobilize to that end the active participation of every single individual in the work process and heighten their awareness that in their own workplace they must not only feel but also behave like socialist managers.

If an enterprise is to inspire adequately the willingness of its employees to give to society more than heretofore, it must also show appreciation for such heightened activity by increasing the economic incentives. To that end, there will be a need for new, fully mandatory rules on relations between even the smallest work collective on one hand, and the enterprise on the other. That will require the establishment in enterprises, in every workplace, of a system of corresponding organizational and economic conditions for the fulfillment of basic political objectives. In other words, the introduction of an enterprise subdivision khozraschet to its full extent.

Not for Work—For Results

It is obvious that in the agricultural-food processing complex we will have to accomplish many new tasks by new methods of political work and economic management—notwithstanding the fact that the current agricultural economic mechanism already contains many elements deserving of general implementation. Among other things, there will be the matter of the principle of enterprise independence to select its production structure and the way to realize it, conditioned by the responsibility for achieved results, of the consistent implementation of the khozraschet and full self-financing, and of the expanding role of supply and demand.

However, no system of economic instruments, no matter how minutely detailed, can alone solve problems. The new economic mechanism will only give greater authority to the working collectives, broader opportunities for creative cooperation in ensuring that society's needs are met. It will still depend primarily on the quality of the

work collectives' performance, on the way they will come to terms not only with their increasing independence but also with their own greater responsibility for final results.

In order to fully implement these new principles, it will also be necessary to amend the rules of the management, organizational, and social systems in the enterprises accordingly. In this, the determining point will be to achieve such a level of enterprise and enterprise subdivision khozraschet that will enable enterprises not only to ensure total self-financing, but also to create conditions for a qualitatively new increase in the performance of the work collectives. That is, to create an enterprise subdivision climate in which the natural willingness of the worker or the work collective to give the enterprise, and thus also society, more than before will be effectively supported also by the new forms of rewards, strictly following the socialist principle that a greater share in the results of work must earn a higher reward.

Khozraschet is not something still unknown in agriculture. Many of course insist that "it is already totally established", that there is "nothing that needs be improved in it", and that all that remains, therefore, is "to implement it" in every agricultural enterprise. An excessive optimism of this kind stems obviously from a superficial, unrealistic evaluation.

How else could one otherwise explain the fact that almost one-fifth of agricultural enterprises show production and economic results continually below average, which often do not provide for the needs of total self-financing or the needs of the replacement process of production assets which would be commensurate with the concept of a new quality of research and development? Above average and leading enterprises at the same time create sufficient material resources and retained earnings so that they can conduct research and development at the accelerated rate that is necessary, and with increasing excellence.

Such a broad latitude of differentiation in the production and economic level of enterprise groups is caused by continuing differences in the effectiveness of managerial work, and in the level of the enterprise subdivision khozraschet systems used. Today we find that at least 70 percent of resources needed for the next stage of efficient intensification of agriculture can be obtained by a thorough resolution of differences that exist in the quality of the enterprise subdivision systems of management.

At the same time, the rewards for the results of work are not particularly higher in the above average enterprises than in the rest. The basic, qualitative difference lies in the fact that in leading enterprises the principle of the linkage between performance and reward, that is, the socialist principle of merit, is consistently respected. That is the basis then for the satisfaction of the enterprise collectives as well as its source—the motivation for their interest in continually improving the results of the enterprise.

It is characteristic of the first-rate enterprises that they change from rewarding "for work" to rewarding "for the results of work." Such a singularly oriented approach is in full accord with the objectives of the new economic mechanism. But in a considerable number of agricultural organizations the linkage between performance and reward for the results of work has been to a greater or lesser extent weakened. The reason for unsatisfactory work is thus primarily inadequate personal motivation and the corresponding insufficient personal interest of collectives and workers in speedy improvement.

In the permanently lagging enterprises in particular, this state of affairs has progressed so far that it sometimes seems as if people already have become used to the disarray in the organization of production and insufficient economic results. They do not link in their minds the enterprise results with their own performance, the results of their own work, which for the most part are not even commensurate with the bonuses paid.

How To Motivate

There is no doubt that in order to fulfill the demanding goals of the restructuring of agriculture we must utilize all the resources of intensification. But where to start, which political, organizational, and social system to use? When searching for answers to this question we can use, even under our circumstances, ideas newly stated by leading economists during restructuring in the USSR.

For example, Professor Aganbegian stresses the need to create such conditions that a person in national production would work better than he would for himself, in the sense of Karl Marx's idea that in a collective—precisely thanks to collective work—there arises a certain additional work force. How then bring out in a member of a socialist work collective the sense of being a manager, to have him think and act as a socialist manager? How to achieve this kind of involvement in people?

The answer would appear to be simple: those who work better, must also earn more. A collective, and thus also an individual, working more efficiently must receive a correspondingly higher reward for his more efficient results. And, naturally, also the other way around.

There is, therefore, no doubt that an urgent practical step toward increasing motivation in people is to overhaul the entire system of rewards. It will mean the enforcement of the principle of rewarding for the end result of work. Other than apportioning according to merit, no less important is also a broader application of self-governing elements which will lead to a growing activity on the part of collectives and individuals.

Today, socialist entrepreneurship also belongs among the factors which will decide the degree of effectiveness of the new economic mechanism which our society

began to restructure. In its socialist character entrepreneurship is a positive instrument for realizing the objectives of accelerating economic and social development. If it is to develop in the work collectives, it will be necessary for each collective to actively influence the development of the creative forces of its members, and thus in effect mobilize its own creative standard.

The theoretical substantiation for the solutions of these political-economic and thus also social problems, toward which progressive practice is necessarily working its way, is due us primarily from our economic science. The theoretical front undoubtedly will find its source in the economic methods of management laid down by V. I. Lenin (*khozraschet*, systems of wages). The founders of Marxism-Leninism considered as the main task of self-government the provision for a realistic, practical participation of an ever greater number of working people in management, approval, and implementation of social and economic decisions.

We can find enough lessons, fully applicable today, in the experiences of Czechoslovak socialist cooperative agriculture throughout its 40-year old history. Good, and at the same time clear, lessons on how to achieve harmony between individual and collective interests in a collective. However, neither in the theoretical sphere nor in the practical management activities have these positive experiences been fully utilized.

The correlation between performance and reward for the results of work has often been disturbed, excessive emphasis placed on "social security" and, on the contrary, the importance of the contribution of the work by the collective as well as the individual to the economic results of the enterprise was given unjustifiably lesser importance. That did not give people incentives for greater activity.

Remedy—Managerial Responsibility

The way to resolve this politically and organizationally very complicated problem is shown by some leading agricultural enterprises in both the Czech and Slovak socialist republics. For example, United Agricultural Cooperative in Slovakia Cilizska Radvan and Unified Agricultural Cooperative AK Slusovice, also State Farm Kromeriz, Unified Agricultural Cooperative Zdislavice, State Farm Kralovice, and others. The system employed in some of the leading enterprises can be designated, for example, as a "system of managerial responsibility." Its essence is the fact that employees of the enterprise subdivisions take their workplaces into their own managerial responsibility under precisely formulated conditions agreed upon with the leadership of the organization.

At the same time, they also take charge of the buildings, machinery, equipment, animals, land, and current assets, as well as the tasks of the work place in question, objectives of the plan, and their own rights as well. In the

plan of such a workplace, however, only those indicators and tasks can be included that can be directly influenced by the collective. A workplace, which uses this system of management, represents in effect a certain enterprise subdivision microcosm. And further: a collective, which takes charge of its own workplace in this way, becomes a direct and at the same time informal manager. It becomes a socialist entrepreneur in this microcosm. It carries the full risk, the full responsibility for the results of its management.

Such a collective is of course completely dependent on the production results achieved as well as on its quality, on the amount of savings in energy and materials, and on the sales of its products. How successfully it handles the property entrusted to it determines its differentiated reward. The system of turning over workplaces and activities of agricultural enterprises to managerial responsibility can thus become a source of many new, active incentives. A newly understood and organized workplace will become an enterprise subdivision structure in an entirely new concept.

A workplace under "managerial responsibility" will report its own economic results. The fact that these workplaces will be consistently and entirely independently planned, documented, controlled, and evaluated should be considered as a significant change in contrast to the quite complicated linkages and relationships of the current type of *khozraschet*. Its construction will make it a simple, and for the employees a very easily observed, system. The mechanism of the workplace will become understandable to every one of its members, who will thus be adequately prepared for the possibility of making a decision and will be able to make a decision not only in their own interest but at the same time in the interest of the enterprise.

The collective which will assume managerial responsibility for its workplace will be given its own operational authority. It means that above all it will have even at this lowest managerial level an adequate scope for practical, urgent solutions to some of the most diverse situations under constantly changing conditions. The collective can share in the results of its own workplace either by receiving a portion of the performance bonus (where the collective has a direct influence also on performance and wages), or by a portion of the economic results of the workplace (results of their own work), or possibly by a share of performance bonuses, in which case the bonus would be reduced by the share in the difference between planned and actual higher material costs directly influenced by the worker.

When any of the above mentioned reward variations are awarded, other bonuses, premiums or possibly also a share in economic results naturally will not apply.

The straightforward nature of this type of incentives and the simplicity of ascertaining the basis for evaluating results will enable collectives to achieve precise orientation in the incentive system.

The workplace under the system of managerial responsibility will be bound only by limit rules. For example, there will be no insistence on work description and detailed control of fulfillment of individual work assignments. That will make it possible to bring out the essential feeling of personal responsibility for all activities. It will at the same time contribute to the development of the workers' ability to maneuver and decisively and effectively react to changing conditions. In such a climate, the decisive number of tasks will be resolved by the work collective on its own, without any necessary "orders" from superiors.

As a basic production unit, the workplace will be able to work more efficiently, without being burdened by the superfluous, overgrown enterprise subdivision administration which is characteristic of today's *khozraschet*. Moreover, the supervisory personnel will then have more time and energy to resolve the more complicated, basic, mostly conceptual tasks of development.

Thus understood and formulated independence of individual workplaces will force the employees at all times to think about production problems and evaluate the level of results being achieved. Therefore, not only management will be thinking about the development of the enterprise, but basically all members of the enterprise collective incorporated into the "system of managerial responsibility."

Contribution Demonstrated

The above mentioned approaches and experiences are actually in the nature of practical instructions on how to implement fully in the organizational and management practice of an agricultural enterprise the principles of the new law on agricultural cooperatives in relation to the development of socialist entrepreneurship and consistent self-financing. It so happens that even today we can—albeit so far only from the practice of a small number of agricultural enterprises with such a consistently applied new system of enterprise subdivision *khozraschet*—evaluate its demonstrably positive results.

It is substantiated mainly by the following objective findings that in the newly organized workplaces:

1. The performance and the amount and quality of production increased, as well as the efficiency and utilization of mechanization and conveyance equipment.
2. Savings in costs were achieved, consumption of feed, energy and fuels per unit of output was reduced, as well as labor input per product.
3. Labor productivity grew, collectives used time more efficiently, the number of workers in collectives was optimized; bonuses set by rate per product or by share in earnings had a strong beneficial impact on the growth of labor productivity in the workplace.

4. At the same time, the stipulated wage relations are not being disregarded, a bonus is linked to the final result—weakening of the linkage between reward and performance is not allowed.

5. Cleanliness and order in the workplace and its environs has improved markedly. The workers were contracted to take over managerial responsibility for the workplace including its environs.

What conclusions then can we draw? Above all, that ideas formulated in this article using observations from the progressive enterprise practices, need to be taken as a blueprint. Their goal is to emphasize how intensively it will be necessary to work out the practical forms of the content of all the principles included, in particular, in the law on agricultural cooperatives.

Comparatively much greater use will have to be made of the positive experiences of leading enterprises as a point of departure, to elaborate on them and introduce them into general practice more quickly. The new approaches actually will have to be worked out already in the preparatory period, i.e., during 1988, which means prior to the inauguration of the full implementation of new economic principles in the agricultural-food processing complex and the law on agricultural cooperatives.

In order to assure a good standard of these preparations, we shall require energetic resolutions and precisely formulated approaches particularly from the science of economics, institutes of higher learning, and agencies of supra-enterprise management and organizational services, which thus far have been mostly "treading water" on many problems. We can no longer allow it that in searching for, elaborating and introducing new forms of organization and management, in *khozraschet*, clearly defined linkage of rewards as well as other rules of enterprise subdivision economic regimens, the leading economic enterprises remain alone. On the contrary, economic theory must, with sufficient lead time, evaluate their experiences and prepare objectivized solutions to be fully implemented in the practice of the other agricultural enterprises.

We do not have to emphasize that the necessary political support will be given to all that is new, all that carries within itself a positive creative charge, all that has the nature of a revolutionary, courageous solution.

Because—as the general secretary of the KCS Central Committee Milos Jakes said during his visit to the Ceskomoravska-Kolben-Danek in Prague at the beginning of the year—the daring goals for accelerating socio-economic development, set forth by the 17th Congress of the KSC and the 7th Plenum of the KSC Central Committee, cannot be achieved by the old methods. We are given the right to proceed by the very purpose of the restructuring of the economic mechanism as well as the profound truth of the idea which comrade Gorbachev presented at the June plenum of the Central Committee

of the USSR Communist Party—the idea that the greatest mistake today would be to fear our own mistakes. And we cannot make the mistake of vacillating.

12605

Function of Prices in Economic Intensification Explained

24000058b Prague TRIBUNA in Czech 27 Jan 88 p 18

[Article by Eng Rudolf Grunwald, CSc: "Equal Treatment for Everyone"]

[Text] A price must express as accurately as possible, and according to stringent world standards, the development of socially necessary costs of labor in relation to the utility of the production. At the 7th Plenum of the KSC Central Committee, the objectivization of wholesale and retail prices together with the restructuring of the levy and tax system was held to be a necessary condition for the decisive step toward increasing the role of supply and demand.

Current prices are often a reflection of costs expended with inadequate efficiency for capital investment or renovation of capital assets, or a consequence of inadequately utilized production capacities, high consumption of raw and processed materials and energy inputs, unsatisfactory quality of deliveries, inadequate R&D, disruptions in the flow of production which affect supply and demand, etc. The levels and relationships in individual sectors and branches cannot be attributed solely to the pricing method or activities of the price agencies. They are above all the end result of the successes or unused potential of the entire economy, productivity of the sectors and branches; they are a picture of the achieved level of labor productivity.

We consider a favorable price development to be one of the qualitative goals; all the means at the disposal of economic policy should contribute to its achievement. At the same time, the price system will serve as an instrument of the new mechanism of our economy. It is expected that with a realistic rate of exchange of our currency and a full *khozraschet*, prices will force a decline in production costs, create pressure for approximating the efficiency of our production to world standards and optimization of the production structure, foreign exchange, and consumption.

New Ways of Decisionmaking in Enterprises

A prerequisite of the strategy for intensification is a change in the approach to price formation in the key sphere of our economy—the production sphere. Thus far, the effort to put into force prices of new products according to calculations which reflect often rather unsatisfactory results of pre-production stages, unfavorable consequences of the extensive growth of past years, and a colorful spectrum of economic incentives to fulfill specified indicators, still prevails. But a rectification cannot be effected merely by the means of price control.

The entire economic mechanism must be aimed at changing the economic thinking and behavior in the enterprises, based on the recognition that a long range prosperity of an economic organization can be ensured only by satisfying the real needs of customers and society. Even as it concerns the desirable relation between the utility of the production and the price.

We link the increased independence and responsibility of enterprises with the structuring of a new quality in commercial, technical and investment policy of economic organizations, which will lead to an adequate supply of good quality and acceptably priced goods in the desired assortment and with utility properties corresponding to world standards. Socialist entrepreneurship under conditions of a full *khozraschet* and self-financing, therefore, cannot do without a goal-oriented price policy combined with a well thought out strategy for development, and supported by practical methods and equipment complete with production and commercial and technical information.

Prices are related, above all, to the production and product mix policy of an enterprise. Good prices and high turnover can be achieved only with products which best respond to the newly arising or not adequately satisfied needs of domestic and foreign customers. Thus we will have to relinquish the idea that the most reliable way to achieve high prices is to increase output in watts or other measurable quantities, that simply imitating foreign models will be enough for a profitable penetration of foreign markets. Production policy requires the application of a set of methods and instruments which are appropriate for studying the needs of the market. It is, therefore, not conceivable without a mutual cooperation of production and marketing organizations.

Paying Attention to Costs

The price level is related to the cost level. Thus it will be in the interest of the enterprises to manufacture a product or ensure its functioning at the lowest possible cost. To that end they can use approaches known as value analyses which have proven useful not only for the rationalization of established production but also in developing new products. Value analysis helps to promote the idea that it is not products that are being sold, but the solution of user problems under cost conditions advantageous for the producer.

It would be too late to engage in an analysis of conditions on a case to case basis, and then only for new products. The price policy aspect needs to be taken into account when considering the marketing strategy of an enterprise as well as its technical and investment policy from a long term viewpoint and as a comprehensive concept. As long as there is no likelihood of a "profitable" price, there is no point in starting an engineering or technological

innovation process! As comrade Milos Jakes pointed out at the 7th Congress of the KSC Central Committee, those who cannot think things through into the future are poor managers.

Decisionmaking about prices in enterprises will, therefore, require not only new thinking, but also new work methods and habits, new criteria. Obviously, it is necessary to want to do that. No less important is to be able to do it. However, the decisive factor will be the exactingness of economic conditions to which the state economic policy and the management of the economy by the centre contribute their share.

Strengthen Equilibrium and Competitiveness

The existence of an imbalance and excessive monopolization in relation to the domestic market can turn enterprises in some sectors and branches away from intensification objectives. The tensions in supply and demand present us with the problem of the role of wholesale prices in promoting balance between offer and demand. It so happens that there are instances when prices do not even cover necessary costs and suppliers avoid manufacturing such goods. In such a situation, making prices more flexible can help satisfy the market.

But most of the "shortages" obviously have much deeper roots. Not even price increases would necessarily automatically help to overcome stagnation in production at a level determined by the weakest link in the supply chain. As it happens, it is often a matter of shortages of new types of materials, sub-suppliers' capacity problems, or the level of technology used. Exceptional financial means in the form of profits probably would not be as a rule an adequate motive for overcoming bottlenecks caused by disruptions in the proportional development of some sectors. It is, therefore, in the interest of a positive development of prices and the buying power of the koruna if in the future years of the Eighth 5-Year Plan attention is concentrated on strengthening a balanced interlinkage of all sectors of the economy and a gradual eradication of disruptions in supply and demand.

After 1 January 1989, the new prices are to reflect the average costs of Czechoslovak production more objectively. A more balanced profitability of products could thus help achieve a better balanced offer of a full range of products. But even following the comprehensive restructuring of wholesale prices the pricing policy will still have the task of assisting in the realization of an overall economic policy aimed precisely at strengthening the balance.

Dangers of Monopolization

Not even today, and not even under conditions of a "fuller" economic balance, can we eliminate undesirable pricing tactics by exclusive suppliers to the domestic market. The danger of prices being dictated by exclusive

suppliers is in no way speculative. In the report, submitted by comrade Milos Jakes at the 7th Congress of the Central Committee of the Party, it was stated for example that suppliers of capital goods misuse their monopolistic position and that the prices they ask for technological equipment and construction work are not commensurate with the quality and technological level of the deliveries. Within two years, budgeted costs for construction increased by Kcs 14 billion. During the discussions there were also expressions of concern that the possibility of overpayments, stemming from free price formation, could gradually lay ground for price increases of final products and write-offs, and lead to a start of an inflationary spiral.

The new mechanism is intended to prevent manifestations of monopolism in the area of structural organization by means of a greater openness of the economy. The principle of strengthening competitiveness is to be taken into consideration when forming economic organizations, particularly in branches which serve the immediate satisfaction of the needs of the public. The way they are associated, however, should not lead to the creation of a monopoly in some areas of undertaking.

The advantages of competition will probably be used not only in the domestic economy but also within the framework of the community of CEMA countries. This will provide consumers with broader opportunities to select among domestic as well as foreign sources to satisfy their needs. Depending on the results of this process, more room should gradually be provided for applying contract prices arrived at by agreement between the supplier and the consumer. Prices, of course, will remain permanently under the control of the center. Thus the centrally established rules will apply to them as well.

Important Criterion of Planning

During the era of predominantly extensive growth, the goal was primarily the stability of wholesale prices within their planned make-up. Higher prices were used to give preferential treatment to technically advanced, quality, fashionable, and luxury products. On the other hand, reduction of labor, material, and cost intensiveness was left to the functioning of the cost plans. Under those circumstances there were preferential product innovations realized in the production sphere, mostly only of a lower category, which because of their higher prices made it easier to fulfill volume indicators and at the same time also the ratio indicator of cost reduction of Kcs 1 worth of production. However, many sectors and branches neglected technological innovation which is the basis of labor productivity growth as well as product innovations of a higher category.

The strategy of acceleration expects that the price system will fulfill not only the restrictive, anti-inflation task, but that it will also assume an active role in reducing the use of labor and bring the efficiency of our production in line with world standards. In the future, we do not want the pricing

policy to adjust itself passively to spontaneous changes in costs and a schematic detailed break-down of their planned reduction, although at the same time it cannot divorce itself from the real costs of Czechoslovak production either. Thus the only thing to do is to actively promote in advance the aspect of price development as an important criterion of economic planning and social development.

The prerequisite for an active role of prices in the management of the economy is, among other things, the preparation of a "scenario" of their desirable, rational development within a realistic but as brief as possible time. They should reflect even more clearly the necessary social costs, including the consumer valuation of the utility properties of the products from the viewpoint of the domestic as well as foreign customers.

Foreign Comparisons

When elaborating and introducing into operation this program, the guidepost will be the relationship of domestic and foreign prices. Differences in value relationships here and in the world stem mostly from different manufacturing conditions. The timely program of the price policy will, therefore, help both in the center and in the enterprises to direct technical and investment development as well as realize rationalization measures, such as a scale which will express the differences in the difficulty of intensification of tasks for individual sectors and organizations with a view to the international value of production.

The price policy, aimed at a gradual but determined reflection of international value in domestic prices, will require a coordinated support of all components of the economic policy. Qualitative changes in the content of the state plan will help toward that end. In its comprehensive concept, the plan will also include elements of the price development plan, which thus far has not been sufficiently interlinked either with it or with the research and development plan. Moreover, it is to be constructed concurrently with adjusted and planned fluctuating prices, which will help to give a picture of the development of material ratios, or in other words, enable us to evaluate the effectiveness of plans on the basis of comparing "national" costs with those abroad.

The directing function of the plan will be carried out primarily through economic means. The current management of economic development, therefore, includes the use of prices as well. According to the nature of the deviations from the objectives of the plan, the approach will be either to change them in the case of a limited group of products, or, in more serious cases, even to change the price level. In cases of extremely serious break-downs, a price freeze might even be considered. However, if there is not to be such extreme intervention, a thoughtful approach will be necessary in introducing individual elements of the new economic mechanism.

CZECHOSLOVAKIA

Czechoslovak Health Care in Short Official Survey

24000055 Prague DOKUMENTACNI PREHLED in Czech 17 Dec 87 pp i7-i9

[Article: "Czechoslovak Health Care"]

[Text] In its extent and by its standard and quality of services the CSSR's health care today ranks among the best in the world. After our working people's victory in February 1948 the entire health care system was nationalized and its costs underwritten by the state. The right to health care is now one of the basic civil rights guaranteed by the CSSR constitution. Among certain programs outside the area of health care proper, which have been introduced in order to improve the condition of our citizens' health, is the social security system, paid vacations, factory and school dining services, regulations of labor hygiene and safety, etc. The citizens of the CSSR receive all health care, including medications and other health supplies, free of charge.

More Physicians and Hospitals

Our health care system today has four times more employees than in 1948. Since then the number of physicians increased more than five times; in 1985, 55,871 physicians were working in the CSSR. In 1948 the ratio was 1,158 persons—and in 1986, 274 persons—per physician. Furthermore, there are more hospitals and beds for patients. At present, there are 195,000 beds, 123,100 of them in hospitals. In the CSR their total amounts to 137,500 beds, of which 84,700 in hospitals, and the ratio is 270 persons per physician. In the SSR the capacity is 58,000 beds, and 16,000 physicians are employed in health care facilities. There were 186 hospitals in the CSSR in 1948, while in 1985 we had 232 hospitals, 206 institutes for special therapy, and 132 balneological institutions.

The costs of health care are covered from the state budget; in 1985 they amounted to almost Kcs 28 billion. A considerable part of the expenditures for health care represents the cost of medications and medical supplies. In 1985 the per citizen outlays for medications amounted to Kcs 322 and to Kcs 112 for medical supplies, or approximately three times more than in 1970.

Constant attention to the upgrading of our health care and to high standards of its services helps improve the health of our population. Our people are living longer; more than 2 million of CSSR citizens are over 60 years of age.

Expanded preventive care for our citizens' health is a pivotal task for the advancement of the CSSR's health care system. It was enhanced in 1953 by the introduction of the system of district health centers which are the basic units of preventive and therapeutic services. Nearly 75 percent of all

workers in the CSSR are under the care of company physicians. Company health services are available to every employee in the mining and metallurgical industries and to railway workers. In 1987 the choice of district physicians, dentists and gynecologists was introduced on an experimental basis in three districts in the CSR.

Care for Mothers and Children

Our health care system scored its greatest success with its care for mothers and children. Systematic care provided to pregnant women and the concentration of deliveries in obstetrical facilities reduced neonatal mortality to a mere 14 per thousand in 1985. Health care is available in pediatric clinics. During the first year of life every child has 12 to 14 preventive examinations. At present, there are 5,950 pediatricians and 30,500 pediatric nurses in the CSSR.

Vaccination against infectious diseases is an important part of preventive pediatric health care. The CSSR is the first state in the world where not a single case of poliomyelitis has occurred since 1961. Another significant achievement of the CSSR health care system is the eradication of measles. All 11-12 year old girls are vaccinated against rubella (German Measles). The organization of care for mothers is linked with pediatric care. In 1986 almost 2,800 gynecologists provided medical services to women, and 16,400 beds were available in 212 women's wards.

An integral part of preventive medicine is balneological therapy. The development of balneology in the CSSR is based on the law of 1948 on the nationalization of natural mineral springs and spas, and on the integration and administration of balneological property. Almost 34,600 beds are available in balneotherapeutic institutions, and 456,500 patients underwent treatment in Czechoslovak spas in 1986. Approximately 90 percent of these patients received balneotherapy free of charge.

The R&D Base

The R&D base of our health care system in the CSR consists of 15 independent R&D institutes, 3 independent research institutes administered by the Spofa VHJ [economic production unit], one research institute of the Czechoslovak state spa administration, and 14 independent development centers associated with national enterprises of our pharmaceutical industry. In the SSR 12 research institutes and one institute associated with the Spofa VHJ are currently engaged in research. Among the largest R&D institutes are the Institute for Clinical and Experimental Medicine in Prague, which is in charge of the "Intertransplant" organ transplantation program for the socialist countries, the Institute for Hygiene and Epidemiology in Prague, and the Institute of Preventive Medicine in Bratislava. Referral centers of the World Health Organizations were established in the CSSR. Three of them have the status of international centers. This confirms that the standard of our medical sciences finds recognition abroad.

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